

**FORTIETH JUDICIAL DISTRICT  
PUBLIC DEFENDERS OFFICE**  
St. John the Baptist Parish, Louisiana

Annual Financial Statements and  
Independent Auditor's Report

As of and for the Year Ended  
June 30, 2020

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## **INDEPENDENT AUDITOR'S REPORT**

To the District Public Defender  
Fortieth Judicial District Public Defenders Office  
La Place, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and major fund of the Fortieth Judicial District Public Defenders Office (the "Public Defender") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fortieth Judicial District Public Defenders Office, as of June 30, 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 5 through 9 and 30 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fortieth Judicial District Public Defenders Office's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head or chief executive officer is the responsibility of management and was derived from and directly related to the underlying accounting and other records used to prepare the financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued a report dated November 6, 2020, on my consideration of the Fortieth Judicial District Public Defenders Office's internal control over financial reporting and on my 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 my 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 Fortieth Judicial District Public Defender's internal control over financial reporting and compliance.



Keith M. Rivere  
Certified Public Accountant  
November 6, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana  
Management's Discussion and Analysis  
As of and for the year ended June 30, 2020

The Management's Discussion and Analysis (MD&A) of the Fortieth Judicial District Public Defenders Office's financial performance presents a narrative overview and analysis of the Public Defender's financial activities for the year ended June 30, 2020. Please read this document in conjunction with the additional information contained in the basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Public Defender's total net position decreased by \$36,147 or 9 percent over the course of the year's operations.
- Revenues decreased by \$23,711 or 3 percent to \$765,340 while expenses for the year decreased by 12 percent or approximately \$105,908.
- The general fund reported a fund balance of \$359,475, a decrease from June 30, 2019 of 9 percent.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The minimum requirements for financial reporting on the Fortieth Judicial District Public Defenders Office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

#### **Basic Financial Statements:**

The basic financial statements present information for the district as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the district from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the district's overall financial status.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana  
 Management's Discussion and Analysis  
 As of and for the year ended June 30, 2020

(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the district allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements are dependent on the fund type. The district's main governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position  
 As of June 30, 2020 and 2019

	<u>6/30/20</u>	<u>6/30/19</u>
Current and other assets	\$360,767	\$426,671
Capital assets	<u>6,167</u>	<u>5,373</u>
 Total Assets	 <u>366,934</u>	 <u>432,044</u>
 Deferred Outflows of Resources	 <u>-0-</u>	 <u>-0-</u>
Current liabilities	1,292	30,255
Long-term liabilities	<u>-0-</u>	<u>-0-</u>
 Total Liabilities	 <u>1,292</u>	 <u>30,255</u>
 Deferred Inflows of Resources	 <u>-0-</u>	 <u>-0-</u>
Net Position:		
Invested in capital assets, net of debt	6,167	5,373
Unrestricted	359,475	396,416
Restricted	-0-	-0-
 Total Net Position	 <u>-----</u> \$365,642 <u>=====</u>	 <u>-----</u> \$401,789 <u>=====</u>



**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana  
Management's Discussion and Analysis  
As of and for the year ended June 30, 2020

The district's net position decreased by \$36,147 or 9%, from the prior year primarily due to a decrease in court cost revenue and state revenue during the last fiscal year.

The public defender's office does not have any "restricted" net position. The district does have "unrestricted" net position, and those are net position that do not have any limitations on what these amounts may be used for.

Statement of Activities  
For the years ended June 30, 2020 and 2019

	<u>6/30/20</u>	<u>6/30/19</u>
Revenues		
Statutory fines, forfeitures, and court cost	\$534,671	\$594,536
Intergovernmental	34,454	40,746
Charges for services	8,252	31,485
Interest	961	5,050
Miscellaneous	-0-	-0-
State Revenue	187,002	117,234
	-----	-----
	\$765,340	\$ 789,051
	=====	=====
Expenditures		
Personnel	727,800	829,906
Other Operating	73,686	77,488
	-----	-----
	<u>801,486</u>	<u>907,394</u>
	=====	=====
Net Changes in Net Position	<u>\$(36,146)</u>	<u>\$(118,343)</u>

During the fiscal year total revenues decreased by \$23,711 or 3%. The total cost of all expenditures decreased by \$105,908, or 12%. The decrease in total revenue is primarily due to a decrease in court cost revenue.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana  
Management’s Discussion and Analysis  
As of and for the year ended June 30, 2020

**CAPITAL ASSETS**

At June 30, 2020, the Public Defender has invested \$6,167 in capital assets.

	<u>Governmental Activities</u>	
<u>Capital Assets</u>	<u>6/30/20</u>	<u>6/30/19</u>
Equipment & Furniture	\$35,189	\$32,029
Accumulated Depreciation	<u>(29,022)</u>	<u>(26,656)</u>
Net Capital Assets	\$ 6,167	\$ 5,373
	=====	=====

**USING THIS ANNUAL REPORT**

This annual report consists of a report on the general financial highlighted statements (above), a general report on the entity performance as a whole, and an activities statement on contributing factors affecting the Public Defender’s past and future financial conditions. Other supporting financial statements and comments are enclosed as components to the annual audit as presented by the auditing agent.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 70 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the District’s workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the Public Defenders’ legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney’s use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2018.

## **FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana  
Management's Discussion and Analysis  
As of and for the year ended June 30, 2020

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)**

However, in fiscal year ending June 30, 2020, COVID-19 caused a reduction in traffic and ticket writing. The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

### **CONTACTING THE BOARD'S MANAGEMENT**

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the district's finances, and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Richard B. Stricks, District Public Defender of the Fortieth Judicial District Public Defenders Office, 425 West Airline Highway, Suite D, La Place, Louisiana, or telephone, 985-651-6677 (extension 6682).

## **BASIC FINANCIAL STATEMENTS**

FORTIETH JUDICIAL DISTRICT  
PUBLIC DEFENDERS OFFICE  
St. John the Baptist Parish, Louisiana  
Governmental Funds Balance Sheet/Statement of Net Position

June 30, 2020

	General Fund	Other Funds	Total	Adjustments	Statement of Net Position
<b>ASSETS</b>					
Cash and cash equivalents	\$120,083	\$0	\$120,083	\$0	\$120,083
Certificates of Deposit	200,000		200,000		200,000
Receivables	38,634	0	38,634	0	38,634
Inventories					
Other Assets	2,050	0	2,050	0	2,050
Capital assets, net of accumulated depreciation (Note C)				6,167	6,167
Total Assets	\$360,767	\$	\$360,767	\$6,167	\$366,934
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	0	0	0	0	0
<b>LIABILITIES</b>					
Liabilities:					
Cash overdraft	\$	\$	\$	\$	\$
Accounts payable	-		-	0	-
Payroll Tax Payable	1,292		1,292		1,292
Garnishment Payable	-		-		-
Escrow Payable			-		-
Long-term liabilities					
Due within one year					
Due after one year					
Total Liabilities	\$1,292		\$1,292		\$1,292
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	0	0	0	0	0
<b>FUND BALANCES/NET POSITION</b>					
Fund balances:					
Reserved for inventories					
Unassigned, reported in:					
General Fund	359,475		359,475	(359,475)	-
Other Funds					
Total Fund Balances	359,475		359,475	(359,475)	-
Total Liabilities and Fund Balances	\$ 360,767		\$ 360,767	\$ (359,475)	\$ 1,292
<b>NET POSITION</b>					
Invested in Capital Assets, Net of Related Debt				6,167	6,167
Restricted				-	-
Unrestricted				359,475	359,475
Total Net Position				\$ 365,642	\$ 365,642

\$ -

The accompanying notes are an integral part of this statement.

FORTIETH JUDICIAL DISTRICT  
PUBLIC DEFENDERS OFFICE  
St. John the Baptist Parish, Louisiana  
GOVERNMENTAL FUNDS

Statement of Governmental Fund Revenues,  
Expenditures, and Changes in Fund Balances/  
Statement of Activities  
For the Year Ended June 30, 2020

	General Fund	Other Funds	Total	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Public Defender:					
Salaries	\$427,789		\$427,789		\$427,789
Payroll Taxes	32,401		32,401		32,401
Hospitalization and Disability Insurance	35,104		35,104		35,104
Parking/Auto Tolls	198		198		198
Travel/Lodging/Per Diem/Mileage	5,725		5,725		5,725
Advertisements	16		16		16
Workers' Compensation	1,365		1,365		1,365
Malpractice Insurance	7,064		7,064		7,064
Auto/Physical Liability Insurance	1,763		1,763		1,763
Building Lease/Rent	24,420		24,420		24,420
Equipment Lease/Rent	3,217		3,217		3,217
Office Repairs and Maintenance	2,456		2,456		2,456
Telephone/Utilities/Postage/Internet	8,997		8,997		8,997
Dues and Seminars	6,235		6,235		6,235
Law Library/Journals/Subscriptions	1,731		1,731		1,731
Office Supplies	4,371		4,371		4,371
Audit/Accounting Expense	8,500		8,500		8,500
Contract-Clerical	5,037		5,037		5,037
Expert Witness	3,675		3,675		3,675
Investigators	12,920		12,920		12,920
Social Workers	3,000		3,000		3,000
Conflict	5,070		5,070		5,070
Contract-Juvenile Attorneys	46,900		46,900		46,900
Contract Attorneys-all others	146,039		146,039		146,039
IT/Technical Support	1,326		1,326		1,326
Capital Outlay	3,160		3,160	(3,160)	-
Other Operating Expense	3,801		3,801		3,801
Depreciation				2,366	2,366
Total Expenditures/Expenses	802,280	-	802,280	(794)	801,486
<b>PROGRAM REVENUES</b>					
Charges for services	8,252		8,252		8,252
Statutory fines, forfeitures, fees and court costs	534,671		534,671		534,671
Other charges	34,454		34,454		34,454
Net Program Expense (Revenue)	224,903	-	224,903	(794)	224,109
<b>GENERAL REVENUES</b>					
State revenue	187,002		187,002		187,002
Local grants	-		-		-
Investment earnings	961		961		961
Miscellaneous	-		-		-
Total General Revenues	187,963	-	187,963	-	187,963
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION</b>					
	(36,940)	-	(36,940)	794	(36,146)
<b>FUND BALANCE/NET POSITION:</b>					
Beginning of the Year	396,415		396,415	5,373	401,788
End of Year	\$ 359,475	\$ -	\$ 359,475	\$ 6,167	\$ 365,642

The accompanying notes are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

## FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

### INTRODUCTION

The Fortieth Judicial District Public Defenders Office (the Public Defender) was established in compliance with Louisiana Revised Statutes 15:141-149 and modified by Act 307 implemented August 15, 2007. The purpose of the Public Defender is to provide adequate legal representation of indigent persons charged with commission of criminal offenses and abuse or neglect of children. The Public Defender encompasses the parish of St. John the Baptist, which is located in the State of Louisiana. The Public Defender is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. The Louisiana Public Defender Board governs the Louisiana Public Defender Office. Revenues to finance the Public Defender's operations are provided primarily from court costs imposed by the various courts within the District and State Revenues received through distributions from the Louisiana Public Defender Office.

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying basic financial statements of the Fortieth Judicial District Public Defenders Office have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999 and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

2. Reporting Entity

For the financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defenders Office is part of the district court system of the State of Louisiana. However, the state statues that created the districts also gave each of the District Defenders control over their own operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The



**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

NOTE A–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Louisiana Public Defender Board is financially independent and operates autonomously from the State of Louisiana and is independent from the district court system. Therefore, the Public Defenders Office reports as a reporting entity, not as a component unit and the general purpose financial statements include only the transactions of the Fortieth Judicial District Public Defenders Office.

3. Fund Accounting

The Public Defender Office uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Public Defender functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts. The fund of the Public Defender is classified as governmental.

**Governmental Funds**

Governmental funds account for all of the Public Defender'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 Public Defender. The following is the Public Defender's governmental fund:

**General Fund** - the primary operating fund of the Public Defender 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 it is expended or transferred in accordance with state and federal laws and according to Public Defender policy.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Measurement Focus/Basis of Accounting  
**Fund Financial Statements (FFS)**

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

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Public Defender 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:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues (court fines) are susceptible to accrual.

Expenditures:

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

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Public Defender as a whole. These statements include all the financial activities of the Public Defender. Information contained in these columns reflects 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*.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed directly from the Public Defender's general revenues.

**Reconciliation**

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Position (Statement A) are as follows:

Net Change in Fund Balance-Governmental Funds		\$(36,940)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
In the current year:		
Expenditures for Capital assets	\$3,160	
Less current depreciation expense	<u>(2,366)</u>	<u>794</u>
Change in Net position of governmental activities		<u>\$(36,146)</u>

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgets and Budgetary Accounting

The Public Defender's office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the Public Defender prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budget is made available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on the cash basis of accounting.
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the fiscal year.
5. All annual appropriations lapse at year-end.

The following is a reconciliation of the excess of revenues over expenditures on Schedule 1 (budget comparison) with the excess of revenues over expenditures on Statement B for the General Fund:

	General <u>Fund</u>
Excess (Deficiency) of receipts over disbursements – Schedule 1	\$(60,287)
Add:	
+ Receivables at June 30, 2020	38,634
+ Liabilities at June 30, 2019	30,438
Less:	
- Receivables at June 30, 2019	(45,725)
- Liabilities at June 30, 2020	<u>(-0-)</u>
Excess (Deficiency) of revenues over expenditures – Statement B	\$ (36,940) =====

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Encumbrances

The Public Defender does not use encumbrance accounting.

7. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. The Public Defender considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Under state law, the Public Defender may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, 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.

8. Court Cost Receivables

Receivables include amounts which were due to be received by June 30, 2020, but were not actually received until after June 30, 2020. Collection is assured for receivables for court costs and forfeitures and bail bond fees; these fees are recognized as revenue when earned.

9. 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 Public Defender maintains a threshold level of \$300 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, fixtures and equipment	5 years

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Annual and Sick Leave

The Public Defender Office has an annual leave policy for non-lawyer employees and lawyer employees. For non-lawyer employees on the job for less than one year, annual leave/vacation of 8 hours is permitted to be taken each calendar quarter. For non-lawyer employees on the job for at least one full year, annual leave/vacation of 64 hours per year is permitted. In addition, for non-lawyer employees, personal leave (sick) permitted to be taken is 32 hours per year. For staff attorneys and supervising attorneys, attorneys may take personal time off equivalent to 8 hours each month for a total of 96 hours per year. Vacation and personal time has no cash value, may not be carried over to the next calendar year, and may not be redeemed for cash. Leave must be taken or lost. One exception is that the Supervising Attorney may carry over unused personal time to the next calendar year.

There are no paid leave provisions for contractors who are denied pay when they miss scheduled court appearances for any reason, including handling a case in their private practice, illness, or vacation.

11. 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.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

12. Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year end, the Public Defender did not have any borrowings that were related to capital assets.
- b. Restricted net position – Consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt,” or deferred outflows of resources, liabilities, and deferred inflows of resources.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental fund equity is classified as fund balance. The Public Defender has adopted GASB Statement 54 for the year ended June 30, 2020. As such, fund balance of the governmental fund is classified as follows:

Non-spendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the Public Defenders office or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Public Defender.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

Assigned- represents balances that are constrained by the Public Defender's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned- represents balances for which there are no constraints.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Public Defender reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Public Defender reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**NOTE B – CASH**

At June 30, 2020, the Public Defender had cash (book balances) as follows:

	Current Unrestricted
Demand deposit	\$120,083
Time deposits	<u>200,000</u>
Total	<u>\$320,083</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 district had \$321,866 in deposits (collected bank balances). These deposits were secured from risk by \$321,866 of federal deposit insurance. In addition there is \$90,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

**Custodial Credit Risk**-Is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2020, none of the bank balance was exposed to custodial credit risk.

**Interest Rate Risk**-The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.



**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

**NOTE C – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Furniture, Fixtures, Equipment & Computers	\$32,029	\$3,160	\$ (-0-)	\$35,189
Less: Accumulated Depreciation	26,656	2,366	(-0-)	29,022
Net Capital Assets	\$ 5,373	\$ 794	\$ (-0-)	\$6,167

For the year ended June 30, 2020, depreciation expense was \$2,366.

**NOTE D – PENSION PLAN**

The Fortieth Judicial District Public Defenders Office does not have a pension plan or any other retirement plan for their employees.

**NOTE E – OTHER POSTEMPLOYMENT BENEFITS**

The Fortieth Judicial District Public Defenders Office does not provide any other post-employment benefits.

**NOTE F – LEASES AND COMMITMENTS**

The Public Defender originally leases office space under a (5) five year operating lease, which expire January 30, 2023. In May of 2020, the District Defender negotiated a waiver of the office rent for three months (June, July, and August) due to Covid-19 uncertainties. In consideration of the waiver of collections by the landlord, a lease extension was signed for an additional 5 years and expires January 30, 2028. The monthly rent is \$2,050. In addition, the Public Defender entered into an agreement to lease a copier under a five year operating lease, which expires September 14, 2021. The rental payment is \$227.19 per month plus an additional cost per copy/image. The Public Defender also rents storage space under a one year operating lease which expires March 12, 2020. The total rent for the year was paid in total by June 30, 2020. The Public Defender has no other capital or operating leases open at June 30, 2020. For the year ended June 30, 2020, rent expense for office space and equipment totaled \$27,637.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

The minimum annual commitments under non-cancelable operating leases are as follows:

Fiscal Year	<u>Equipment</u>	<u>Office Space</u>
2021	2,726	20,500
2022	455	24,600
2023	-0-	24,600
2024	-0-	24,600
2025	-0-	24,600
Thereafter	-0-	63,550
	-----	-----
Total	\$ 3,181	\$182,450

**NOTE G – LITIGATION AND CLAIMS**

The Public Defender is not involved in any litigation and is not aware of any claims outstanding that require disclosure in the accompanying financial statements.

**NOTE H – CONCENTRATIONS**

The majority of revenue earned by the district comes from the Parish of St John the Baptist in the form of bail bond fees, forfeitures, and court cost. The principal funding source consists of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the Public Defenders Office workload or expenses. External factors such as reduction in enforcement activities, convictions, and assessment of court cost could result in a reduction in revenue.

**NOTE I – ECONOMIC FACTORS**

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 70 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the District's workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the Public Defenders' legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney's use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E. ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2019.

However, in fiscal year ending June 30, 2020, the sheriff either ceased participation in the L.A.C.E. program or reduced participation drastically. COVID-19 contributed to less traffic and less ticket writing. The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

**NOTE J – HEALTH CARE AND LIFE INSURANCE BENEFITS**

Beginning in January, 2019, all employees of the 40<sup>th</sup> Judicial District Public Defender Office working 30 hours per week or more were offered coverage on a Group Policy of Health Insurance. The District pays for 85% of the monthly premium for each employee only. Coverage for family members is not paid for by the District. The employee pays for the other 15% through a payroll deduction. There is a 90 day waiting period after commencing employment to be eligible for this benefit.

**NOTE K – SUBSEQUENT EVENTS**

As described in Note P, the COVID-19 pandemic has impacted the District's fiscal year 2020 and may continue to affect financial performance in the future.

Management has evaluated subsequent events through the date the financial statements were available to be issued, November 6, 2020, and determined that there were no additional subsequent events requiring disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

**NOTE L – RISK MANAGEMENT**

The Public Defenders Office is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defenders Office has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the year that exceeded the Public Defenders Office's coverage.

The Public Defenders Office's management has not purchased commercial insurance or made provisions to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

**NOTE M - GOVERNMENTAL FUND REVENUES AND EXPENDITURES**

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

Revenues:

**State Government**

Appropriations - general	\$187,002	
Appropriations - special		
Revenue sharing		
Grants		
On-behalf payments		
Other		
Total		\$187,002

**Local Government**

Appropriations - general		
Appropriations - special		
Grants		
Statutory fines, forfeitures, fees, court costs, and other	\$534,671	
Taxes - millages, sales, special, and other	-	
Criminal court fund		
On-behalf payments		
Condition of Probation	34,454	
Total		\$569,125

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

<b>Federal Government</b>		
Grants - direct		
Grants - indirect (passed-through state)		
Total		
<b>Other Grants and Contributions</b>		
Non-profit organizations		
Private organizations		
Corporate		
Other		
Total		
<b>Charges for Services</b>		\$8,252
<b>Investment earnings</b>		\$961
<b>Miscellaneous</b>		\$0
Total Revenues		<u>\$765,340</u>
<b>Expenditures:</b>		
<b>Personnel Services and Benefits</b>		
Salaries	\$427,789	
On-behalf payments - salaries		
Retirement contributions		
On-behalf payments - retirement		
Insurance	36,469	
On-behalf payments - insurance		
Payroll taxes	32,401	
Other		
Total		\$496,659
<b>Professional Development</b>		
Dues, licenses, and registrations	6,235	
Travel		
Other		
Total		6,235

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

<b>Operating Costs</b>		
Library and research	1,731	
Contract services - attorney/legal	198,009	
Contract services - other	33,132	
Lease - office	24,420	
Lease - autos and other	3,217	
Travel - transportation	5,923	
Travel - other		
Insurance	8,827	
Supplies	4,371	
Repairs and maintenance	2,456	
Utilities and telephone	8,997	
Other	5,143	
Total		296,226
<b>Debt Service</b>		
<b>Capital outlay</b>		\$3,160
Total Expenditures		<u>\$ 802,280</u>

**NOTE N – ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED**

In June 2017, the Governmental Accounting Standards Board issued GASB #87 “Leases”. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than twelve months on the statements of financial position as well as additional disclosures. The implementation of this standard is for reporting periods beginning after December 15, 2019. This standard will be effective for the District’s fiscal year ending June 30, 2021.

The District is currently assessing the impact of this pronouncement on its financial statements.

**FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE**

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2020

**NOTE O – CORONAVIRUS PANDEMIC (COVID-19)**

A novel strain of coronavirus has spread around the world, resulting in business, governmental, and social disruption. In March 2020, the novel coronavirus (COVID-19) global pandemic began affecting the District's employees and governmental operations, as well as the United States economy and financial markets. The Louisiana Department of Health requested the postponement of non-essential services from approximately March 19, 2020 until April 27, 2020. This caused a shutdown in the judicial court system. While this disruption was temporary, it did impact the District's operations during 2020. There is a likelihood that this pandemic will continue to affect the District's financial performance in fiscal year 2021 and beyond. The related financial impact and duration, however, cannot be reasonably estimated at this time.

**REQUIRED SUPPLEMENTAL INFORMATION**



FORTIETH JUDICIAL DISTRICT  
PUBLIC DEFENDERS OFFICE  
St. John the Baptist Parish, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget  
(Cash Basis) and Actual  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Cash Basis	Budget to GAAP	Actual Amount GAAP Basis
	Original	Final		Differences Over(Under)	
<b>REVENUES</b>					
Charges for services	\$ 42,600	\$ 8,252	\$ 8,372	\$ -	\$ 8,252
Statutory fines, forfeitures, fees and court costs	626,177	541,491	541,491	(6,820)	534,671
Other charges	31,896	34,604	34,604	(150)	34,454
State revenue	2,816	181,534	187,002	5,468	187,002
Local grants	-	-	-	-	-
Investment earnings	5,148	961	961	-	961
Miscellaneous	-	-	-	-	-
Total revenues	708,637	766,842	772,430	(1,502)	765,340
<b>EXPENDITURES</b>					
Salaries	447,416	427,789	427,789	-	427,789
Payroll Taxes	34,195	33,839	33,839	(1,438)	32,401
Hospitalization and Disability Insurance	27,120	36,019	35,104	(915)	35,104
Parking/Auto Tolls	12	198	198	-	198
Travel/Lodging/Per Diem/Mileage	9,807	6,016	6,056	(291)	5,726
Advertisements	252	16	16	-	16
Workers' Compensation	1,582	1,365	1,365	-	1,365
Malpractice Insurance	7,400	7,064	7,064	-	7,064
Auto/Physical Liability Insurance	1,600	1,763	1,763	-	1,763
Building Lease/Rent	26,550	24,420	24,420	-	24,420
Equipment Lease/Rent	3,400	2,410	3,217	807	3,217
Office Repairs and Maintenance	3,090	3,235	2,646	(779)	2,456
Telephone/Utilities/Postage/Internet	11,416	9,719	9,719	(722)	8,997
Dues and Seminars	8,194	6,035	6,235	200	6,235
Law Library/Journals/Subscriptions	2,400	1,731	1,731	-	1,731
Office Supplies	3,380	4,432	4,431	(61)	4,371
Audit/Accounting Expense	8,150	8,500	8,500	-	8,500
Contract-Clerical	2,122	4,727	5,651	310	5,037
Expert Witness	-	3,000	3,675	675	3,675
Investigators	40,200	12,920	12,920	-	12,920
Social Workers	-	3,000	3,000	-	3,000
Conflict	27,600	6,114	6,129	(1,044)	5,070
Contract-Juvenile Attorneys	56,400	51,893	51,600	(4,993)	46,900
Contract Attorneys-all others	152,196	166,434	167,363	(20,395)	146,039
IT/Technical Support	1,800	1,326	1,326	-	1,326
Capital Outlay	3,600	4,050	3,160	(900)	3,160
Other Operating Expense	2,106	2,616	3,800	1,185	3,601
Depreciation	-	-	-	-	-
Total Expenditures/Expenses	881,986	830,641	832,717	(28,361)	802,280
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(173,351)</b>	<b>(63,799)</b>	<b>(60,287)</b>	<b>26,859</b>	<b>(36,940)</b>
<b>OTHER FINANCING SOURCES (Uses)</b>					
Total other financing sources (uses)					
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(173,351)</b>	<b>(63,799)</b>	<b>(60,287)</b>	<b>26,859</b>	<b>(36,940)</b>
<b>FUND BALANCE (Deficit) AT BEGINNING OF YEAR</b>	<b>380,332</b>	<b>380,332</b>	<b>380,332</b>	<b>15,287</b>	<b>396,415</b>
<b>FUND BALANCE (Deficit) AT END OF YEAR</b>	<b>\$ 206,981</b>	<b>\$ 316,533</b>	<b>\$ 320,045</b>	<b>\$ 42,146</b>	<b>\$ 359,475</b>
<b>EXPLANATION OF DIFFERENCES:</b>					
(1) Receivables at 6/30/19				45,725	
(2) Payables at 6/30/19				(30,438)	
Net increase in fund balance--budget to GAAP				15,287	

Schedule 2

FORTIETH JUDICIAL DISTRICT  
PUBLIC DEFENDERS OFFICE  
St. John the Baptist Parish, Louisiana  
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Compensation, Benefits, and Other  
Payments to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2020

Agency Head Name: Richard B. Stricks, District Public Defender

<u>Purpose</u>	<u>Amount</u>
Salary	95,000.00
Benefits - Insurance	
Benefits - Retirement	
Benefits - Other	
Benefits - Payroll Taxes	7,229.00
Car Allowance	
Vehicle provided by government	
Per diem	
Dues	435.00
Travel/Auto Mileage	371.00
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

The accompanying notes are an integral part of this statement.

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**KEITH M. RIVERE, CPA**

**75 Dominican Drive  
Suite 206  
LaPlace, LA 70068  
(985) 652-6029**

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

To the District Public Defender  
Fortieth Judicial District  
Public Defenders Office  
La Place, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Fortieth Judicial District Public Defenders Office (the "Public Defender"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Public Defender Office's basic financial statements and have issued my report thereon dated November 6, 2020.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Fortieth Judicial District Public Defenders Office's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fortieth Judicial District Public Defenders Office's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fortieth Judicial District Public Defender'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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, identified as findings 20-1(IC) and 20-2(IC), that I consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Public Defenders Office's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Fortieth Judicial District Public Defenders Office's Response to Findings**

The Public Defender's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The Public Defender's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of report is solely to describe the scope of my 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 and should be read in conjunction with the enclosed Independent Auditor's Report in considering the entity's internal control and compliance. According, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Keith M. Rivere  
Certified Public Accountant  
November 6, 2020

**FORTIETH JUDICIAL DISTRICT  
PUBLIC DEFENDERS OFFICE  
St. John the Baptist Parish, Louisiana**

Summary Schedule of Current and Prior Year Audit Findings and Responses  
For The Year Ended June 30, 2020

Ref. No	Fiscal Year Finding Initially Occurred	Description of findings	Corrective Action Taken	Responses	Name of Contact Person	Anticipated Completion Date
Current Year (6/30/20)						
Internal Control						
20-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Richard Stricks	N/A
20-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Richard Stricks	N/A
Prior Year (6/30/19)						
Internal Control						
19-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Richard Stricks	N/A
19-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Richard Stricks	N/A