

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
PARISH OF CALCASIEU, LOUISIANA

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

March 30, 2022

Public Defender
The Fourteenth Judicial District Indigent Defender Fund
Lake Charles, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Fourteenth Judicial District Indigent Defender Fund, a component unit of the Louisiana Public Defender Board, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Fourteenth Judicial District Indigent Defender Fund as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the analysis and budgetary comparison information on page 26 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 Information

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note F to the financial statement, the District has had recurring losses from operations in prior years which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note F. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Fourteenth Judicial District Indigent Defender Board's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief

Executive Officer, Justice System Funding Schedule – Collecting/Distributing Entity as Required by Act 87 of the 2020 Regular Legislative Session and the Justice System Funding Schedule – Receiving Entity as Required by Act 87 of the 2020 Regular Legislative Session are presented on pages 28-30 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 Chief Executive Officer, Justice System Funding Schedule – Collecting/Distributing Entity as Required by Act 87 of the 2020 Regular Legislative Session and the Justice System Funding Schedule – Receiving Entity as Required by Act 87 of the 2020 Regular Legislative Session are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer, Justice System Funding Schedule – Collecting/Distributing Entity as Required by Act 87 of the 2020 Regular Legislative Session and the Justice System Funding Schedule – Receiving Entity as Required by Act 87 of the 2020 Regular Legislative Session have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the basic financial statements, or the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 on our consideration of the Fourteenth Judicial District Indigent Defender Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Fourteenth Judicial District Indigent Defender Board's internal control over financial reporting and compliance.

Shaggen, Cassidy: Skillery

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Statement of Net Position

June 30, 2021

ASSETS	
Cash	\$ 2,417,150
Receivables - court cost	91,936
Prepaid expenses	33,147
Capital assets, net	10,911
Total assets	<u>2,553,144</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>-</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>(2,004)</u>
Total liabilities	<u>(2,004)</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>-</u>
NET POSITION	
Invested in capital assets	10,911
Restricted	1,090,000
Unrestricted	1,454,237
Total net position	<u>\$ 2,555,148</u>

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

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Balance Sheet - Governmental Fund

June 30, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$2,417,150	\$1,032,385
Receivables		
Court costs	91,936	58,327
Prepaid expenses	<u>33,147</u>	<u>38,497</u>
Total assets	<u>2,542,233</u>	<u>1,129,209</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$2,542,233</u></u>	<u><u>\$1,129,209</u></u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ (2,004)</u>	<u>\$ 1,087</u>
Total liabilities	<u>(2,004)</u>	<u>1,087</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Restricted	1,090,000	-
Unassigned	<u>1,454,237</u>	<u>1,128,122</u>
Total fund balance	<u>2,544,237</u>	<u>1,128,122</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$2,542,233</u></u>	<u><u>\$1,129,209</u></u>

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

FUND FINANCIAL STATEMENTS

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Fund

Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>
REVENUES		
Court costs on fines and forfeitures	\$ 774,673	\$ 899,208
Intergovernmental	2,857,869	935,283
Fees from individuals	101,400	238,678
Interest income	930	2,991
Other income	70,026	2,901
TOTAL REVENUES	<u>3,804,898</u>	<u>2,079,061</u>
EXPENDITURES		
General Government		
Salaries and related benefits	1,606,483	1,851,831
Professional services	558,292	552,050
Litigation support	5,364	3,700
Library	30,079	27,744
Material and supplies	25,500	34,648
Rent	27,345	38,178
Travel	2,315	4,558
Other operating expenditures	118,158	64,224
Capital Outlay	6,442	1,274
TOTAL EXPENDITURES	<u>2,388,783</u>	<u>2,578,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,416,115	(499,146)
FUND BALANCE - BEGINNING	<u>1,128,122</u>	<u>1,627,268</u>
FUND BALANCE - ENDING	<u>\$ 2,544,237</u>	<u>\$ 1,128,122</u>

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

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Reconciliation of the Balance Sheet-Governmental Fund to the
Statement of Net Position

June 30, 2021

Total fund balance for governmental fund at June 30, 2021	\$ 2,544,237
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Capital assets, net of \$178,173 accumulated depreciation	<u>10,911</u>
Total net position of governmental activities at June 30, 2021	<u>\$ 2,555,148</u>

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

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended June 30, 2021

Total net changes in fund balance at June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ 1,416,115
The change in net position reported for governmental activities in the statement of activities different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	6,442	
Depreciation expense for the year ended June 30, 2021		<u>(2,824)</u>	<u>3,618</u>
Total changes in net position at June 30, 2021 per Statement of Activities			<u>\$ 1,419,733</u>

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

REQUIRED SUPPLEMENTAL INFORMATION

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	Original	Final		
REVENUES				
Court costs on fines and forfeitures	\$ 787,250	\$ 698,366	\$ 774,673	\$ 76,307
Intergovernmental	519,590	2,724,420	2,857,869	133,449
Fees from indigents	157,750	149,234	101,400	(47,834)
Interest	2,500	873	930	57
Other income	-	500	70,026	69,526
TOTAL REVENUES	1,467,090	3,573,393	3,804,898	231,505
EXPENDITURES				
General Government				
Salaries and related benefits	1,912,500	1,623,325	1,606,483	16,842
Professional services	372,750	566,333	558,292	8,041
Litigation support	-	-	5,364	(5,364)
Library	28,500	30,133	30,079	54
Materials and supplies	27,500	15,952	25,500	(9,548)
Rent	8,650	27,378	27,345	33
Travel	7,550	3,851	2,315	1,536
Other operating expenditures	40,850	135,789	118,158	17,631
Capital Outlay	7,500	790,000	6,442	783,558
TOTAL EXPENDITURES	2,430,400	3,192,761	2,388,783	803,978
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(963,310)	380,632	1,416,115	1,035,483
FUND BALANCE - BEGINNING	1,128,122	1,128,122	1,128,122	-
FUND BALANCE - ENDING	\$ 164,812	\$ 1,508,754	\$ 2,544,237	\$ 1,035,483

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fourteenth Judicial District Indigent Defender Fund, Parish of Calcasieu, Louisiana (District), is established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the Parish of Calcasieu, Louisiana.

The more significant of the government's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Fourteenth Judicial District Indigent Defender Fund includes all funds, account groups, et cetera, that are within the oversight responsibility of the Fourteenth Judicial District Indigent Defender Fund.

As the governing authority, for reporting purposes, the Louisiana Public Defender Board is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Louisiana Public Defender Board for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the Louisiana Public Defender Board to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Louisiana Public Defender Board.
2. Organizations for which the Louisiana Public Defender Board does not appoint a voting majority but are fiscally dependent on the Louisiana Public Defender Board.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, the Fourteenth Judicial District Indigent Defender Fund is a component unit of Louisiana Public Defender Board.

2. Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through court costs, intergovernmental revenues, and other nonexchange revenues.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

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

The District has one fund, the General Fund, which is therefore considered its major fund.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets.

Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

In the government-wide statement of net position and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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. At June 30, 2021 the carrying amount was \$2,417,150 and the bank balance was \$2,465,172. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$2,515,172 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Budgets

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the district's Board of Directors for review. The board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

6. Accounts Receivable

No reserve for uncollectible receivables had been recorded as of June 30, 2021, as all receivables were considered collectible.

7. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The minimum capitalization threshold is any individual item with a total cost greater than \$500.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	3-7 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

8. Compensated Absences

All permanent, full-time employees earn from 22 to 42 days of vacation and sick leave each year, depending upon length of service. Leave is available for use by employees in the fiscal year it was earned.

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Equity Classification

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

- a. Net investment in capital assets— Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance - includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions. At June 30, 2021, \$1,090,000 is restricted fund balance for the purchase of an office building.
- b. Assigned fund balance – includes fund balance amounts that are intended to be used for specific purposes based on internal (board) actions.
- c. Unassigned fund balance – includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Subsequent Events

Management has evaluated subsequent events through March 30, 2022, the date the financial statements were available to be issued.

12. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statement in order to provide an understanding of changes in the District's financial position and operations.

NOTE B - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Equipment	\$ 182,642	\$ 6,442	\$ -	\$ 189,084
Less accumulated depreciation for:				
Equipment	<u>175,349</u>	<u>2,824</u>	<u>-</u>	<u>178,173</u>
Governmental activities capital assets, net	<u>\$ 7,293</u>	<u>\$ 3,618</u>	<u>\$ -</u>	<u>\$ 10,911</u>

NOTE C - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE D - PENSION PLAN

Beginning in October 2011, the District offers a Savings Incentive Match Plan for Employees of a Small Employers (SIMPLE). Eligibility is limited to employees who are reasonably expected to receive at least \$5,000 in compensation and who have received at least \$5,000 in compensation during any 2 calendar years preceding the current calendar year. Mutual of America serves as the Designated Financial Institution (DFI) under the Plan. The District will make a matching contribution equal to an employee's salary reduction contribution, up to a limit of 3% of the employee's compensation for the year. For the year ended June 30, 2021, employees deferred \$66,839 of their compensation and employer contributions totaled \$31,012.

NOTE E – OPERATING LEASE

The District rents office building space on a month-to-month basis in the amount of \$2,250 per month. Rent expense for the year ended June 30, 2021 amounted to \$27,345.

NOTE F - GOING CONCERN CONSIDERATIONS

During the past several years, the District has experienced recurring operating losses and negative cash flows that have resulted in net asset deficits. The District is attempting to maintain the funding sources at the 2020 levels to stabilize annual operating profits, but the outlook for next year is that these levels will not be approached. The District and its management have been aware of and are concerned about the level of statutory funding for the operations of the District. Article 1, Section 13, of the 1974 Constitution of Louisiana provides, in part, the following:

“The legislature shall provide a uniform system of securing and compensating qualified counsel for indigents.”

This issue and the concerns of the District have been brought to the attention of the legislators, the judges of the Fourteenth Judicial District Court, the District Attorney, and the Calcasieu Parish Police Jury. The District has proposed several options to increase its funding, including sharing proceeds of the existing parish law enforcement property tax millage or the proposed renewal of this tax so as to provide the District additional funding. A working group of attorneys, judges, the District Attorney's office, the Police Jury, the Clerk of Court, and general members of the local bar association convened to consider various funding options or alternatives to the current indigent defender system. The District and its management continues to actively participate in this effort.

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Notes to Basic Financial Statements

June 30, 2021

NOTE G – GOVERNMENT FUND REVENUES AND EXPENDITURES

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

Revenues:

State Government	
Grants	\$ 2,857,869
Local Government	
Statutory fines, forfeitures, fees	
court costs and others	774,673
Charges for services	101,400
Investment earnings	930
Miscellaneous	<u>70,026</u>
Total Revenues	<u>\$ 3,804,898</u>

Expenditures:

Personnel Services and Benefits	
Salaries	\$ 1,298,107
Insurance	181,205
Payroll taxes	96,159
Retirement contributions	31,012
Other	<u>-</u>
	1,606,483
Professional Development	
Dues, licenses, and registrations	6,556
Travel	<u>718</u>
	7,438
Operating Costs	
Library and research	30,079
Contract services – attorney/legal	545,792
Contract services – other	12,500
Lease – office	27,345
Travel – transportation	2,315
Insurance	23,619
Supplies	25,500
Repairs and maintenance	15,352
Utilities and telephone	8,805
Other	<u>77,113</u>
	768,420
Capital outlay	<u>6,442</u>
Total Expenditures	<u>\$ 2,388,783</u>

OTHER INFORMATION

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended June 30, 2021

Chief Executive Officer: Harry Fontenot, District Defender

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 120,000
Benefits-health insurance	8,359
Benefits-malpractice insurance	745
Benefits-retirement	3,600
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Conference travel	-
Continuing professional education fees	755
Housing	-
Unvouchered expenses	-
Special meals	-
State bar dues	300

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2021

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Cash Presentation		
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	-	-
Less: Disbursements To Governments & Nonprofits		
None	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	-	-
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ -	\$ -
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	-	-

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2021

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Cash Presentation		
Receipts From:		
Calcasieu Parish Sheriff's Office - Traffic Fines	\$ 58,545	\$ 78,165
Calcasieu Parish Sheriff's Office - Court Costs	28,654	57,522
Lake Charles City Court - Court Costs	59,265	96,701
Sulphur City Court - Court Costs	31,297	53,913
City of Dequincey - Court Costs	2,880	2,406
City of Westlake - Court Costs	16,560	13,880
Town of Iowa - Court Costs	18,470	18,960
Town of Vinton - Court Costs	2,570	3,770
Calcasieu Parish District Attorney's Office - Bond Forfeitures	15,056	1,964
Sulphur City Court -Bond Fees	613	-
Calcasieu Parish Sheriff's Fund - Bond Fees	79,294	114,750
	\$ 313,204	\$ 442,031

Ending Balance of Amounts Assessed but Not Received

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Statement of Activities

Year Ended June 30, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u> <u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities: General government	\$ 2,385,165	\$ 876,073	\$ 2,857,869	\$ 1,348,777
		General Revenues:		
			Interest income	930
			Other income	70,026
			Change in Net Position	<u>1,419,733</u>
			Net Position, beginning	<u>1,135,415</u>
			Net Position, ending	<u>\$ 2,555,148</u>

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

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*

March 30, 2022

Public Defender
The Fourteenth Judicial District Indigent Defender Fund
Lake Charles, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities of The Fourteenth Judicial District Indigent Defender Fund, a component unit of the Louisiana Public Defender Board, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise The Fourteenth Judicial District Indigent Defender Board's basic financial statements and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fourteenth Judicial District Indigent 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fourteenth Judicial District Indigent Defender Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.

District's Response to Findings

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

Purpose of the Report

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

Shaggen, Candace Hillery

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Schedule of Findings and Responses

Year Ended June 30, 2021

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unmodified, going concern

Internal control over financial reporting:

Material weakness(es) identified? yes no

Control deficiency(s) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted? yes no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding #2021-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the District's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Response/Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

Continued

THE FOURTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Schedule of Findings and Responses - Continued

Year Ended June 30, 2021

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

Finding #2020-001: Inadequate segregation of duties.

Corrective Actions Taken – None, a repeat finding in 2021.