

PUBLIC DEFENDER'S OFFICE

NINTH JUDICIAL DISTRICT

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**



**Rozier McKay
& Willis** | CERTIFIED PUBLIC
ACCOUNTANTS

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
REQUIRED SUPPLEMENTAL INFORMATION (PART I)	
Management's Discussion and Analysis.....	3-5
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position.....	6
Statement of Activities	7
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet.....	8
Statement of Revenues, Expenditures and Changes in Fund Balance	9
NOTES TO FINANCIAL STATEMENTS.....	10 - 18
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
Statement of Revenues, Expenditures and Changes in Fund Balances (Budget and Actual)	
General Fund	19
Schedule of Net Pension Liability Data.....	20
Schedule of Employer Contributions.....	21
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	22
OTHER MATTERS	
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	23-24
Schedule of Findings and Responses.....	25
Management's Corrective Action Plan.....	26
Schedule of Prior Year Findings and Responses	27



September 7, 2020

INDEPENDENT AUDITOR'S REPORT

To the District Defender
Ninth Judicial District
State of Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and the major fund of the Public Defender's Office for the Ninth Judicial District, a component unit of the Louisiana Public Defender Board, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Public Defender's 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.

Public Defender's Office
Ninth Judicial District
Page 2

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's discussion and analysis
- Statement of Revenues, Expenditures, and Changes in Fund Balance (Budget and Actual)
- Schedule of Net Pension Liability Data – Cost Sharing Retirement Systems
- Schedule of Employer Contributions – Cost Sharing Retirement Systems

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 Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Defender's Office basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is other supplemental information presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has 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 prepare the basic financial statements or to 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2020, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Office's internal control over financial reporting and compliance.


Rozier, McKay & Willis
Certified Public Accountants

PUBLIC DEFENDER'S OFFICE

NINTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

This section of annual financial report presents our discussion and analysis of the Office's financial performance during the fiscal year ended June 30, 2020, along with certain comparative information for the previous year.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Office's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Office as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Office's assets and all of the Office's liabilities. All of the Office's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by grants, fines and various fees.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Office's most significant activities and are not intended to provide information for the Office as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Office's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the Office's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE

A comparative analysis of the government-wide Statement of Net Position is presented as follows:

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

	For the Year Ended June 30,	
	2020	2019
<u>Assets:</u>		
Cash	\$ 180,551	\$ 228,850
Receivables	29,074	45,989
Depreciable capital assets, net	2,529	3,068
Total Assets	212,154	277,907
Deferred Outflows	61,019	183,028
<u>Liabilities:</u>		
Accounts Payable	4,394	17,165
Compensated Absences	9,275	13,675
Payroll Liability	3,479	4,283
Net Pension Liability	2,516	222,274
Total Liabilities	19,664	257,397
Deferred Inflows	116,814	13,715
<u>Net Position:</u>		
Unrestricted	134,166	186,755
Invested in Capital Assets	2,529	3,068
Total Net Position	\$ 136,695	\$ 189,823

As the presentation appearing above demonstrates, with the exception of \$2,529 invested in capital assets, the Office's net position is unrestricted and may be used to meet the Office's ongoing obligations.

A comparative analysis of the government-wide Statement of Activities is presented as follows:

	For the Year Ended June 30,	
	2020	2019
<u>Revenues:</u>		
Program Revenue:		
State Grants	\$ 624,420	\$ 473,701
Local Funds	530,154	627,169
Charges for Service	24,079	35,876
General Revenue:		
Other	----	----
Total Revenue	1,178,653	1,136,746
<u>Program Expenses:</u>		
General Government - Judicial	1,231,781	1,245,734
Change in Net Position	(53,128)	(108,988)
Net Position Beginning	189,823	298,811
Net Position Ending	\$ 136,695	\$ 189,823

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

As the accompanying presentation demonstrates, the Public Defender's Office's net position has decreased. The decrease is mitigated due to prudent use of the District's resources.

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS

For the year ended June 30, 2020, differences between the government-wide presentation and the fund financial statements were limited to reporting equipment and related depreciation and amounts related to pension funding in the government-wide presentation.

BUDGET HIGHLIGHTS

State law requires the general fund to have a budget. For the year ended June 30, 2020, no amendments were necessary to the original budget.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2020, capital asset activity was limited to recording depreciation on existing assets.

DEBT ADMINISTRATION

For the year ended June 30, 2020, there was no debt activity and no debts are outstanding at year end.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Statement of Net Positon

June 30, 2020

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 180,551
Receivables	29,074
Depreciable Assets	<u>2,529</u>
Total assets	<u>212,154</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Funding Deferrals	<u>61,019</u>
<u>LIABILITIES</u>	
Accounts payable	4,394
Payroll Liability	3,479
Long-term Liabilities	
Net Pension Liability	2,516
Compensated Absences	<u>9,275</u>
Total liabilities	<u>19,664</u>
<u>DEFERRD INFLOWS OF RESOURCES</u>	
Pension Funding Deferrals	<u>116,814</u>
<u>NET POSITION</u>	
Unrestricted	134,166
Invested in Capital Assets	<u>2,529</u>
Total net position	<u>\$ 136,695</u>

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

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Statement of Activities
Year Ended June 30, 2020

	<u>Governmental Activities</u>
Expenses:	
General Government - Judicial	
Payroll & Related Benefits	401,759
Contract Attorneys	689,001
Insurance	19,622
Rent	18,000
Legal & Professional	32,374
Office Expense	33,672
Utilities & Telephone	11,926
Other	<u>25,427</u>
Total Expenses	<u>1,231,781</u>
Program Revenues:	
Charges for Services	24,079
Operating Grants and Contributions	
State	624,420
Local	<u>530,154</u>
Total Program Revenues	<u>1,178,653</u>
Net Income (Expenses) - Governmental Activities	<u>(53,128)</u>
General Revenues:	
Other	<u>-</u>
Total General Revenues	<u>-</u>
Change in Net Position	(53,128)
Net Position - Beginning	<u>189,823</u>
Net Position - Ending	<u>\$ 136,695</u>

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

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2020

<u>Assets</u>	<u>General</u>
Cash	\$ 180,551
Receivables	29,074
Total Assets	\$ 209,625
 <u>Liabilities and Fund Balance</u>	
<u>Liabilities</u>	
Accounts Payable	\$ 4,394
Other Liabilities	3,479
Total Liabilities	7,873
 <u>Fund Balance</u>	
Unassigned	201,752
Total Fund Balances	201,752
 Total Liabilities and Fund Balance	 \$ 209,625

Total Fund Balances - Governmental Funds	\$ 201,752
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(67,585)
Amounts reported for governmental activities in the Statement of Net Position are different because capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,528
Net Position of Governmental Activities	\$ 136,695

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

***PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT***

***Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2020***

	<u>General</u>
<u>Revenues:</u>	
Intergovernmental	
State Funds	\$ 624,420
Local Funds	530,154
Indigent Fees	<u>24,079</u>
Total revenues	<u>1,178,653</u>
<u>Expenditures:</u>	
General Government - Judicial	
Payroll & Related Benefits	400,810
Contract Attorneys	689,001
Insurance	19,622
Rent	18,000
Legal & Professional	32,374
Office Expense	33,672
Utilities & Telephone	11,926
Travel & Other	<u>24,887</u>
Total expenditures	<u>1,230,292</u>
Excess (deficiency) of revenues over expenditures	(51,639)
Fund balance - beginning of year	<u>253,391</u>
Fund balance - end of year	<u>\$ 201,752</u>

Net change in fund balances of Governmental Funds	\$ (51,639)
Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital expenditures in the current period.	(539)
Long-term liabilities reported in the statement of activities includes pension obligations incurred in connection with participation in multi employer cost sharing pension plans. Changes in the pension obligation affect the statement of activities	<u>(950)</u>
Change in net position of governmental activities	<u>\$ (53,128)</u>

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

PUBLIC DEFENDER'S OFFICE

Ninth Judicial District

Notes to Financial Statements

For the Period Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ninth Judicial District Public Defender's Office was established under the laws of the State of Louisiana in order to provide legal representation for indigent individuals involved in criminal proceedings. The Office receives appropriations from the State of Louisiana as well as fees and other costs, which are assessed from persons participating in the judicial process. The Office may also receive fees from indigent defendants, whenever the District Judge determines that fees of this nature are appropriate. The Office is administered by the District Public Defender who is appointed by the Louisiana Public Defender Board.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity 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 reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the Public Defender's Office is a component of the Louisiana Public Defender Board, which is a component of the State of Louisiana. The accompanying financial statements present information only on the accounts maintained by the Public Defender of the Ninth Judicial District. The financial statements do not present information of the State of Louisiana or the Louisiana Public Defender Board, the general government service provided by those governmental units, or other governmental units that comprise the financial reporting entity.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Office's operations as governmental activities.

The government-wide and fund financial statements present the Office's financial position and results of operations from differing perspectives which are described as follows:

PUBLIC DEFENDER’S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Office as a whole.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, State grants, and local funds.

Fund Accounting

The accounts are organized on the basis of funds, which consist of a single general fund. The General Fund is the general operating fund of the Office. It is used to account for all financial resources.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as expenditures. Inventories of supplies are considered immaterial and are not recorded.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets

Budgets are adopted prior to the beginning of each year using the generally accepted basis of accounting. Furthermore, budgets are amended in the manner prescribed by state law.

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

Cash

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk is managed by requiring fiscal agents to provide security for any deposits that exceed FDIC limits.

Compensated Absences

Full time employees earn vacation at rates that vary depending on length of service. Unused vacation that employees are allowed to carryforward is reported as long-term liabilities. Amounts are reported as expenditures when the unused vacation is actually liquidated.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of three to five years is typically used.

NOTE 2 - CASH

Deposits are stated at cost, which approximates market. Under state law, these deposits 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 Public Defender's Office has \$209,577 in deposits (collected bank balance). These deposits are secured by FDIC coverage in the amount of \$250,000.

NOTE 3 - RECEIVABLES

At June 30, 2020, consisted entirely of amounts due from governmental sources, which are described as follows:

Rapides Parish Sheriff's Office	\$	19,319
City of Alexandria		4,619
City of Pineville		5,136
<hr/>		
Total	\$	29,074

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

NOTE 4 – CAPITAL ASSETS

A summary of the Office's capital assets is provided as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Capital Assets Being Depreciated:</u>				
Furniture and Equipment	\$ 9,307	\$ ----	\$ ----	\$ 9,307
Less Accumulated Depreciation	6,239	539	----	6,778
<u>Total Net of Depreciation</u>	<u>\$ 3,068</u>	<u>\$ (539)</u>	<u>\$ ----</u>	<u>\$ 2,529</u>

NOTE 5 - RISK MANAGEMENT

The Office is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Office insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 6 – PENSION PLAN

Parochial Employees Retirement System

Substantially all of the Public Defender's Office's employees are members of a statewide retirement system. This system is a cost-sharing, multiple employer defined benefit pension plan administered by a board of trustees. A summary of amounts reported in connection with participation in this plan is summarized as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Parochial Employees Retirement System	\$ 2,516	\$ 61,019	\$ 116,814

Further information regarding the retirement system is furnished as follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Public Defender's Office are members of Plan A. All permanent employees working at least 28 hours per week are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service, are entitled to a retirement benefit, payable monthly for life, equal to three per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of the final-average salary, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980, plus three per cent of final average salary for each year of service credited after the revision date. Final-average salary is the employees' average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and who do not withdraw their employee contributions,

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - Employees are required to contribute 9.5% of their salaries to the System. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current rate is 12.25% of annual covered payroll. The contribution requirements of the plan members and the Public Defender's Office are established and may be amended by state statute. In addition, contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. Contributions to the retirement system for the year ended June 30, 2020 and each of the two preceding years have been consistent with the required amounts.

Financial Summary - The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details the System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at persla.org.

Plan A's net pension liability (asset) was determined at December 31, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 4,096,496,036
Plan Fiduciary Net Pension	4,091,788,575
Net Pension Liability (Asset)	<u>4,707,461</u>
Public Defender's Office's Proportionate Share (Percentage)	0.053437%
Public Defender's Office's Proportionate Share (Amount)	<u>\$ 2,516</u>

The net pension liability (asset) presented above was not affected by any special funding situations. Changes in the Public Defender's Office proportionate share of Plan A's net pension liability during the measurement period ending December 31, 2019 are provided as follows:

Beginning Net Pension Liability	\$ 222,274
Employer Contributions	(39,001)
Pension Expense	46,588
Deferred Outflows of Resources	(124,247)
Deferred Inflows of Resources	<u>(103,098)</u>
Ending Net Pension Liability (Asset)	<u>\$ 2,516</u>

There were no changes between June 30, 2020 and the Plan A's measurement date that are expected to have a significant effect on the Public Defender's Office's proportionate share of the collective net pension liability (asset). Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total (Net)
Differences Between Expected and Actual Experience	\$ ----	\$ 22,519	\$ (22,519)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	----	94,295	(94,295)
Changes of Assumptions	35,132	----	35,132
Changes in Proportion	5,427	----	5,427
Employer Contributions Made After the Measurement Date	<u>20,460</u>	<u>-----</u>	<u>20,460</u>
Total Deferrals	61,019	116,814	(55,795)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability (Asset) in the Subsequent Reporting Period	<u>(20,460)</u>	<u>----</u>	<u>(20,460)</u>
Deferrals Subject to Amortization	<u>\$ 40,559</u>	<u>\$ 116,814</u>	<u>\$ (76,255)</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
December 31, 2020	\$ (15,745)
December 31, 2021	(21,721)
December 31, 2022	3,664
December 31, 2023	<u>(42,453)</u>
Total	<u>\$ (76,255)</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Plan A – Entry Age Normal Plan B – Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	Plan A – 4.75% Plan B – 4.25%
Expected Remaining Service Lives	4 Years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Inflation Rate	2.40%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
Total	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

The following presents the net pension liability of the participating employers as of December 31, 2019 calculated using the discount rate of 6.50%, as well as what the employers' net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	1% Decrease 5.50% Discount Rate	Current Discount Rate 6.5%	1% Increase 7.50% Discount
Net Pension Liability (Asset)	\$ 271,882	\$ 2,516	\$ (223,208)

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2020

NOTE 7 – 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 – Special		\$ 624,420
Local Governments		
Statutory Fines, Forfeitures, Fees and Court Cost		530,154
Charges for Services		<u>24,079</u>
Total Revenues		<u>\$ 1,178,653</u>

Expenditures

Personnel Services and Benefits		
Salaries	354,060	
Payroll Taxes	5,547	
Retirement	<u>41,203</u>	
Total		400,810
Professional Development		
Dues, licenses, and registrations	7,048	
Travel	5,427	
Law Library	<u>10,020</u>	
Total		22,495
Operating Cost		
Contract Services – Attorney / Legal	689,001	
Contract Services – Other	32,374	
Rent-Office	18,000	
Insurance	19,622	
Office Expense/Supplies	36,064	
Utilities and Telephone	<u>11,926</u>	
Total		<u>806,987</u>
Total Expenditures		<u>\$ 1,230,292</u>

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
State Funds	468,431	590,000	624,420	34,420
Local Government	583,700	434,000	530,154	96,154
Indigent Fees	30,000	20,000	24,079	4,079
Total revenues	1,082,131	1,044,000	1,178,653	134,653
Expenditures:				
General Government - Judicial				
Payroll & Related Benefits	426,100	395,500	400,810	(5,310)
Contract Attorneys	675,500	659,000	689,001	(30,001)
Insurance	17,700	23,700	19,622	4,078
Rent	18,000	18,000	18,000	-
Legal & Professional	46,000	30,000	32,374	(2,374)
Office Expense	48,600	30,500	33,672	(3,172)
Utilities & Telephone	15,600	15,500	11,926	3,574
Travel & Other	26,000	26,000	24,887	1,113
Capital Outlay	10,000	2,000	-	2,000
Total expenditures	1,283,500	1,200,200	1,230,292	(30,092)
Excess (deficiency) of revenues				
Net Change in Fund Balances	(201,369)	(156,200)	(51,639)	104,561
Fund balance - beginning of year	308,414	308,414	253,391	(55,023)
Fund balance - end of year	\$ 107,045	\$ 152,214	\$ 201,752	\$ 49,538

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT
Schedule of Net Pension Liability Data
Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount			
	Parochial Employees Retirement System				
December 31, 2014	0.059%	16,085	351,747	4.6%	99.1%
December 31, 2015	0.053%	140,131	319,189	43.9%	92.2%
December 31, 2016	0.041%	83,796	303,744	27.6%	92.2%
December 31, 2017	0.045%	(33,696)	279,328	-12.1%	102.0%
December 31, 2018	0.050%	222,274	288,678	77.0%	91.9%
December 31, 2019	0.053%	2,516	320,248	0.8%	99.9%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT
Schedule of Employer Contributions
Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Parochial Employees Retirement System					
December 31, 2014	35,451	35,451	-	351,747	10.08%
December 31, 2015	50,558	52,972	(2,414)	319,189	16.60%
December 31, 2016	32,564	44,575	(12,011)	303,744	14.68%
December 31, 2017	35,627	31,505	4,122	279,328	11.28%
December 31, 2018	34,586	34,928	(342)	288,678	12.10%
December 31, 2019	36,828	38,966	(2,138)	320,248	12.17%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

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

	<u>Deirdre Fuller</u>	
<u>Purpose</u>		
Salary	\$	84,888
Retirement		10,061
Reimbursements		473



September 7, 2020

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 Defender
State of Louisiana
Ninth Judicial District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the Public Defender's Office for the Ninth Judicial District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Office's basic financial statements, and have issued our report thereon dated September 7, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and

Public Defender's Office

grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rozier, McKay & Willis
Certified Public Accountants

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2020

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the basic financial statements of the Public Defender's Office as of June 30, 2020 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are considered to be significant control deficiencies or material weaknesses.
- The results of the audit did not disclose an instance of noncompliance required to be reported in the Schedule of Findings and Responses.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- There are no items to report.

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2020

SECTION I Internal Control and Compliance Material To The Financial Statements	
No findings of this nature were reported	No findings of this nature were reported
SECTION II Internal Control and Compliance Material to Federal Awards	
No findings of this nature were reported	No findings of this nature were reported
SECTION III Management Letter	
No management letter was issued with this report	No management letter was issued with this report.

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
For the Year Ended June 30, 2020

SECTION I Internal Control and Compliance Material To The Financial Statements	
No findings of this nature were reported	No findings of this nature were reported
SECTION II Internal Control and Compliance Material to Federal Awards	
No findings of this nature were reported	No findings of this nature were reported
SECTION III Management Letter	
No management letter was issued with this report.	No management letter was issued with this report.