

Financial Report

(Reviewed)

*Thirty-Fourth Judicial District Office
of the Public Defenders*

Chalmette, Louisiana

For the year ended June 30, 2020

Financial Report

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For the year ended June 30, 2020

TABLE OF CONTENTS

Thirty-Fourth Judicial District Office of the Public Defenders

June 30, 2020

	<u>Page Numbers</u>
Financial Section	
Independent Accountant's Review Report	1 - 2
Management's Discussion and Analysis	3 - 7
 Exhibits	
Basic Financial Statements:	
Government-Wide and Fund Financial Statements:	
A - Statement of Net Position and Governmental Fund Balance Sheet	8
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	9
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	10
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	11
E - Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	12
F - Notes to Financial Statements	13 - 32

TABLE OF CONTENTS (Continued)

Page
Numbers

Schedules

Required Supplementary Information

1 - Schedule of the Thirty-Fourth Judicial District of the Public Defenders' Proportionate Share of the Net Pension Liability	33
2 - Schedule of the Thirty-Fourth Judicial District of the Public Defenders' Contributions	34
3 - Notes to Required Pension Supplementary Information	35

Supplementary Information Section

4 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	36
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Special Reports of Certified Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures	37 - 40
Schedule of Findings and Responses	41

Reports by Management

Schedule of Prior Year Findings and Responses	42
Management's Corrective Action Plan on Current Year Findings	43
Louisiana Attestation Questionnaire	44 - 45

FINANCIAL SECTION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Thirty-Fourth Judicial District
Office of the Public Defenders,
Chalmette, Louisiana.

We have reviewed the accompanying financial statements of the governmental activities, and the General Fund of the Thirty-Fourth Judicial District Office of the Public Defenders (the "Office"), as of and for the year ended June 30, 2020 and related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Office. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated December 2, 2020, on the results of our agreed-upon procedures.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 7, and page 12, and the required supplementary information on pages 32 and 33, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, conclusion, or provide any assurance on it.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer (Schedule 4) is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513(A)(3), and is not a required part of the financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 2, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Thirty-Fourth Judicial District Office of the Public Defenders

June 30, 2020

The Management's Discussion and Analysis of the Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") financial performance presents a narrative overview and analysis of the Office's financial activities for the year ended June 30, 2020. This document focuses on the current period's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Office's assets exceeded its liabilities at the close of the year ended June 30, 2020 by \$108,467 (net position), which represents a 36.98% decrease as compared to the year ended June 30, 2019.

The Office's revenues for the year ended June 30, 2020 decreased \$187,504 (or 29.64%) as compared to the year ended June 30, 2019. This is principally due to a decrease of state funds.

The Office's expenses for the year ended June 30, 2020 decreased by \$23,400 (or 4.44%) as compared to the year ended June 30, 2019.

The Office did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Office's basic financial statements. The Office's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Office:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Office's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Office's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating. The Statement of Activities presents information showing how the Office's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Office is to provide legal defense to indigents.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Office are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Office maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Office adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 8 through 12 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Office's financial position. As of June 30, 2020, assets exceeded liabilities by \$108,467.

Condensed Statements of Net Position

	June 30, 2020	June 30, 2019	Dollar Change
Current and other assets	\$117,114	\$175,652	\$ (58,538)
Capital assets	1,928	2,466	(538)
Long-term assets	6,122	-	6,122
Total assets	125,164	178,118	(52,954)
Deferred outflows of resources	7,376	26,957	(19,581)
Current liabilities	8,375	4,971	3,404
Long-term liabilities	-	27,254	(27,254)
	8,375	32,225	(23,850)
Deferred inflows of resources	15,698	5,456	10,242
Total liabilities and deferred inflows of resources	24,073	37,681	(13,608)
Net position	\$108,467	\$167,394	\$ (58,927)
Net position:			
Invested in capital assets	\$ 1,928	\$ 2,466	\$ (538)
Unrestricted	106,539	164,928	(58,389)
Total net position	\$108,467	\$167,394	\$ (58,927)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities decreased the Office's net position by \$58,927. Key elements of this increase are:

Condensed Statements of Activities

	<u>For the Year Ended June 30, 2020</u>	<u>For the Year Ended June 30, 2019</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Revenues:				
Service fees	\$137,482	\$132,240	\$ 5,242	4
State Revenue District	297,466	498,477	(201,011)	(40)
Other	<u>10,099</u>	<u>1,834</u>	<u>8,265</u>	451
Total revenues	445,047	632,551	(187,504)	(30)
Expenses:				
General and governmental	<u>503,974</u>	<u>527,374</u>	<u>(23,400)</u>	(4)
Increase (decrease) in net position	(58,927)	105,177	(164,104)	(156)
Net position beginning of year	<u>167,394</u>	<u>62,217</u>	<u>105,177</u>	169
Net position end of year	<u>\$108,467</u>	<u>\$167,394</u>	<u>\$(58,927)</u>	(35)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Office's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the current year. As of June 30, 2020, the Office's governmental funds reported a combined ending fund balance of \$108,467, a decrease of \$58,927 in comparison with the year that is available for spending at the Office's discretion.

CAPITAL ASSETS

The Office's investment in capital assets for its governmental activities as of June 30, 2020 and 2019 totaled to \$1,928 and \$2,466, (net of accumulated depreciation), respectively. This investment in capital assets as of June 30, 2020 and 2019 includes office furniture and office equipment (see table below).

	<u>2020</u>	<u>2019</u>
Office furniture, fixtures, and equipment	<u>\$18,104</u>	<u>\$18,104</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Office considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Revenues were budgeted on the assumption that service fees and grant fees would decrease in 2020.
- Expenses were budgeted based on the assumption that 2020 expenses would approximate 2019.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Office's finances for all those with an interest in the Office's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Public Defender of the Thirty-Fourth Judicial District Office of the Public Defenders, 2218 Jackson Blvd., Suite B, Chalmette, LA 70043.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
Assets			
Cash	\$107,165	\$ -	\$107,165
Due from other governmental units	9,949	-	9,949
Net pension asset	-	6,122	6,122
Capital assets, net of accumulated depreciation	-	1,928	1,928
Total assets	117,114	8,050	125,164
Deferred Outflows of Resources	-	7,376	7,376
Total assets and deferred outflows of resources	\$117,114	15,426	132,540
Liabilities			
Accounts payable and accrued expenditures	\$ 8,375	-	8,375
Deferred Inflows of Resources	-	15,698	15,698
Total liabilities and deferred inflows of resources	8,375	15,698	24,073
Fund Balance/Net Position			
Fund balance - unassigned	108,739	(108,739)	-
Total liabilities and fund balance	\$117,114	(93,041)	24,073
Net position:			
Invested in capital assets		1,928	1,928
Unrestricted		106,539	106,539
Total net position		\$ 108,467	\$108,467

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

Fund Balance - Governmental Fund		\$108,739
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 governmental fund		
Governmental capital assets	\$ 18,104	
Less accumulated depreciation	<u>(16,176)</u>	1,928
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds		
		7,376
Long-term assets are not realizable in the current period and therefore are not reported in the governmental funds:		
Net pension asset		6,122
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds		
		<u>(15,698)</u>
Net Position of Governmental Activities		<u><u>\$108,467</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

	General Fund	Adjustments (Exhibit D)	Statement of Activities
Revenues			
Service fees:			
St. Bernard Parish Sheriff	\$137,482	\$ -	\$137,482
State Revenue District Assistance Fund:			
Louisiana Public Defender Board	297,466	-	297,466
Miscellaneous:			
Interest income	99	-	99
Other income	10,000	-	10,000
	<u>445,047</u>	<u>-</u>	<u>445,047</u>
Expenditures/Expenses			
General government:			
Materials and supplies	4,411	-	4,411
Personnel services and benefits	122,271	(3,553)	118,718
Other services and charges:			
Contractual services	355,682	-	355,682
Professional services	16,500	-	16,500
Library and research	-	-	-
Office	2,577	-	2,577
Miscellaneous	5,548	-	5,548
Depreciation	-	538	538
	<u>506,989</u>	<u>(3,015)</u>	<u>503,974</u>
Excess (Deficit) of Expenditures over Revenue	(61,942)	61,942	-
Change in Net Position	-	(58,927)	(58,927)
Fund Balance/Net Position			
Beginning of year	170,681	(3,287)	167,394
End of year	<u>\$108,739</u>	<u>\$ (272)</u>	<u>\$108,467</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

Net Change in Fund Balance - Governmental Fund	\$ (61,942)
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 their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(538)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Pension credit	<u>3,553</u>
Change in Net Position of Governmental Activities	<u><u>\$ (58,927)</u></u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Service fees:				
St. Bernard Parish Sheriff	\$ 145,650	\$ 147,820	\$ 137,482	\$(10,338)
State Revenue District Assistance Fund:				
Louisiana Public Defender Board	245,619	297,465	297,466	1
Interest income	-	98	99	1
Other income	-	-	10,000	10,000
	391,269	445,383	445,047	(336)
Expenditures				
General government:				
Materials and supplies	4,450	4,382	4,411	(29)
Personnel services and benefits	125,700	122,223	122,271	(48)
Other services and charges:				
Contractual services	390,700	355,537	355,682	(145)
Professional services	17,500	16,500	16,500	-
Library and research	2,000	2,411	-	2,411
Office	100	2,577	2,577	-
Miscellaneous	6,430	3,004	5,548	(2,544)
	546,880	506,634	506,989	(355)
Excess of Expenditures Over Revenues	(155,611)	(61,251)	(61,942)	\$ 19
Fund Balance				
Beginning of year	169,056	170,681	170,681	
End of year	\$ 13,445	\$ 109,430	\$ 108,739	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Thirty-Fourth Judicial District Office of the Public Defenders**

June 30, 2020

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") established in compliance with Louisiana Revised Statutes 15:146 et seq., provides counsel to represent indigents (needy individuals) in criminal, quasi-criminal, juvenile, municipal and traffic cases at the District Court level. The judicial district encompasses the Parish of St. Bernard, Louisiana. All duties and responsibilities for the management of the personnel, property, and funds will by virtue of Act 307 transfer to the Chief Public Defender who will then be referred to as District Public Defender. Revenues to finance the Office's operations are derived from district assistance funds, court costs on fines imposed by the various courts within the district and other fees.

The accounting policies of the Thirty-Fourth Judicial District Office of the Public Defenders conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

The Office has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

In accordance with Act 307 of the Louisiana Legislature for the year 2007, the Office passed a resolution transferring all of its powers and duties to the District Public Defender as of August 15, 2007 and ceased to exist. This act does not alter the entity or any of its activities or functions, only the governance. The District Public Defender's authority is contingent upon the approval of the Louisiana Public Defender Board, who appointed and may relieve the District Public Defender of his duties.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

The Office's basic financial statements consist of the government-wide statements on all activities of the Office and the governmental fund financial statements.

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Office. The government-wide presentation focuses primarily on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on major funds in governmental categories. The daily accounts and operations of the Office continue to be organized on the basis of a fund and account group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Office:

General Fund - The General Fund is the general operating fund and is the only fund of the Office. It is used to account for all financial resources except those required to be accounted for in another fund.

c. Measurement Focus and 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.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Office considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Court costs on fines and forfeitures imposed by the Office and courts, reported as service fees, are recorded in the year they are collected by intermediate collectors. Fees from indigents are recorded when available. Interest income on cash balances is recorded as revenue when the income is available. Grants and miscellaneous revenues are recorded as revenues when received in cash by the Office because they are generally not measurable until actually received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e. Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Office adopted a budget for the General Fund. For budgets exceeding \$500,000, the budgetary practices include public notice of the proposed budget, public inspection and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District Public Defender. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis of accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the basic financial statements.

f. Accounts Receivable

The financial statements of the Office contain no allowance for bad debts. Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectability of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

g. Capital Assets

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Government-Wide Financial Statements:

In the government-wide financial statements, property and equipment is accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with cost less accumulated depreciation reflected in the Statement of Net Position. 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:

Office furniture, fixtures, and equipment	5 - 10 years
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Fund Financial Statements:

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.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Pensions

For purposes of measuring the net pension asset or liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

j. Vacation and Sick Leave

The Office does not have a formal vacation and sick leave policy.

k. Fund Equity

Government-Wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested 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. As of June 30, 2020, there were no outstanding balances of debt.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Office's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2020 and for the year then ended, the Office did not have or receive restricted net assets.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity (Continued)

Fund Financial Statements:

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable equity as of June 30, 2020.

Restricted - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted equity as of June 30, 2020.

Committed - amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed equity as of June 30, 2020.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was no assigned equity as of June 30, 2020.

Unassigned - all other spendable amounts.

For classification of Governmental Fund balances, the Office considers expenditures to be made from the most restrictive first when more than one classification is available. The Office's fund balance as of June 30, 2020 totaled \$108,739, all of which was classified as unassigned.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New Pronouncements

During the year ending June 30, 2020, the Office implemented the following GASB Statement:

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of the Coronavirus (COVID-19) pandemic. That objective is accomplished by postponing the effective dates of certain Statements and Implementation Guides to those dates reported below.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New Pronouncements (Continued)

to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New Pronouncements (Continued)

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra entity transfers, postemployment benefits, government acquisitions and financing, insurance related activities of public risk pools, fair value measurements and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at date varying upon issuance to fiscal periods beginning after June 15, 2021. Management has not as yet determined the effect of the Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New Pronouncements (Continued)

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public - private and public - public partnership arrangements (PPPs). As used in the Statement a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange like transaction. The requirements of this Statement are effective for years beginning after June 15, 2022. Management has not as yet determined the effect of the Statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting/or Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. New Pronouncements (Continued)

plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

m. Subsequent Events

The Office evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 2, 2020, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits: (Continued)

The bank balances as of June 30, 2020 are as follows:

	Bank Balances	Reported Amount
Cash	\$114,611	\$107,165

Custodial credit risk is the risk that in the event of a bank failure, the Office's deposits may not be returned to it. The Office has a written policy for custodial credit risk. As of June 30, 2020, the Office's bank balances of \$114,611 were fully insured by federal deposit insurance.

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2020, consisted of the following:

St. Bernard Parish Sheriff	\$9,949
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The amount due from the St. Bernard Parish Sheriff is for fines and fees collected.

Note 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Capital assets being depreciated:				
Office furniture, fixtures, and equipment	\$18,104	\$ -	\$ -	\$18,104
Less accumulated depreciation for:				
Office furniture, fixtures, and equipment	(15,638)	(538)	-	(16,176)
Total capital assets, net	\$ 2,466	\$ (538)	\$ -	\$ 1,928

Note 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2020, consisted of the following:

Salaries and benefits	<u>\$8,375</u>
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Note 6 - 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:	
Grants	\$297,466
Local government:	
Statutory fines, fees, court costs, and other	137,482
Interest income	99
Other income	<u>10,000</u>
Total revenues	<u>\$445,047</u>

Expenditures:

Operating costs:	
Supplies	\$ 4,411
Salaries	94,266
Payroll taxes	7,277
Retirement contributions	20,728
Contract services - attorney/legal	355,682
Contract services - other	16,500
Office	2,577
Miscellaneous	<u>5,548</u>
Total expenditures	<u>\$506,989</u>

Note 7 - PENSION PLAN

Plan Description. The Office contributes to Plan B of the System, a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of credible service, retire at age 60 after completing ten years of credible service or retire at age 65 after completing seven years of credible service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing ten years of service or retire at age 67 after completing seven years of service. Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The election to participate in DROP is irrevocable once participation begins. The monthly retirement benefits are paid into the DROP Fund. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with five or more years of credible service who becomes disabled may receive disability benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with seven or more years of credible service who become disabled may receive disability benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the Louisiana State Legislature.

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the plan year ending December 31, 2019, the actuarial employer contribution rate was 7.53% of member's compensation. However, the actual rate for the plan year ending December 31, 2019 was 7.50%.

Note 7 - PENSION PLAN (Continued)

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the Office were \$7,070 for the year ended June 30, 2020.

Pension Liability. As of June 30, 2020, the Office reported an asset of \$6,122 for its proportionate share of the total net pension asset. The net pension asset was measured as of December 31, 2019 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Office's proportion of the net pension asset was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2019, the Office's proportion was 0.084607%, which was a decrease of 0.005246% from its proportion measured as of December 31, 2018.

Pension Expense. For the year ended June 30, 2020, the Office recognized pension expense of \$2,971.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2020, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 181	\$ (2,611)
Change in assumptions	3,650	-
Net difference between projected and actual earnings on pension plan investments	-	(12,782)
Changes in proportionate share	-	(305)
Contributions subsequent to the measurement date	<u>3,545</u>	<u>-</u>
Totals	<u>\$7,376</u>	<u>\$(15,698)</u>

Note 7 - PENSION PLAN (Continued)

The Office reported \$3,545 as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending July 30,	Amount
2021	\$ (3,440)
2022	(3,627)
2023	991
2024	(5,791)
Total	\$(11,867)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	4.25%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health 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.

Note 7 - PENSION PLAN (Continued)

**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 increase not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (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 7.18% 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 June 30, 2019 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35.00%	1.05%
Equity	52.00%	3.41%
Alternatives	11.00%	0.61%
Real assets	2.00%	0.11%
Totals	100.00%	5.18%
Inflation		2.00%
Expected arithmetic nominal rate		7.18%

Note 7 - PENSION PLAN (Continued)

Discount Rate. The discount rate used to measure the collective pension liability was 6.50%. 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 in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System's 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.

Sensitivity of the Office's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the Office's proportionate share of the collective net pension (asset) liability using the discount rate of 6.50%, as well as what the Office's proportionate share of the net pension (asset) liability 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:

	1.0% Decrease <u>(5.50)%</u>	Current Discount Rate <u>(6.50%)</u>	1.0% Increase <u>(7.50%)</u>
District's proportionate share of the net pension (asset) liability	<u>\$32,882</u>	<u>\$(6,122)</u>	<u>\$(38,721)</u>

Pension Plan Fiduciary Net Position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2019. Access to the audit report can be found on the System's website, www.persla.org or on the Louisiana Legislative Auditor's website, www.la.la.gov.

Note 8 - RISK MANAGEMENT

The Office is exposed to various risks to loss related to torts, theft or, damage to and destruction of assets, errors and omissions, and natural disasters, for which the Office carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated.

Note 9 - CONTRACTUAL SERVICES

For the year ended June 30, 2020, the District Public Defender was the only employee. As a result, all defense attorneys were contracted for their services.

Note 10 - EXPENDITURES NOT INCLUDED IN ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the Office which are paid out of the funds of the St. Bernard Parish Government and other governmental entities. These expenditures include salaries, insurance, telephone, utilities, and other operating expenditures of the Office.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE THIRTY-FOURTH JUDICIAL DISTRICT
OF THE PUBLIC DEFENDERS' PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

Thirty-Fourth Judicial District
Office of the Public Defenders

For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Office's proportion of the net pension liability	<u>0.0846%</u>	<u>0.0899%</u>	<u>0.0927%</u>	<u>0.0944%</u>	<u>0.0944%</u>
Office's proportionate share of the net pension liability (asset)	<u>(\$6,122)</u>	<u>\$27,254</u>	<u>(\$8,684)</u>	<u>\$12,254</u>	<u>\$12,254</u>
Office's covered-employee payroll	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>
Office's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>-6.5128%</u>	<u>28.9936%</u>	<u>-9.2380%</u>	<u>13.0360%</u>	<u>13.0360%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>102.0500%</u>	<u>91.9300%</u>	<u>104.0200%</u>	<u>94.1500%</u>	<u>94.1500%</u>

**SCHEDULE OF THE THIRTY-FOURTH JUDICIAL DISTRICT
OF THE PUBLIC DEFENDERS' CONTRIBUTIONS**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 7,070	\$ 7,050	\$ 7,285	\$ 7,520	\$ 7,990
Contributions in relation to the contractually required contribution	<u>(7,070)</u>	<u>(7,050)</u>	<u>(7,285)</u>	<u>(7,520)</u>	<u>(7,990)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Office's covered-employee payroll	<u>\$94,266</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>
Contributions as a percentage of covered - employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.75%</u>	<u>8.00%</u>	<u>8.50%</u>

**NOTES TO REQUIRED PENSION
SUPPLEMENTARY INFORMATION**

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2020

- Note 1 -** The amounts presented on the Schedule of the Public Defender's Proportionate Share of Net Pension Liability and Schedule of Thirty-Fourth Judicial District Office of the Public Defenders' Contributions have a measurement date of the previous fiscal year end.
- Note 2 -** GASB 68 requires the Schedule of the Public Defender's Proportionate Share of Net Pension Liability show information for ten years. The Thirty-Fourth Judicial District Office of the Public Defenders implemented GASB 68 in its 2015 fiscal year therefore; additional years will be displayed as they become available in the future.

SUPPLEMENTARY INFORMATION SECTION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2020

Agency Head Name: Thomas H. Gernhauser, District Public Defender

Purpose

Salary	\$ 94,266
Benefits - insurance	13,658
Benefits - retirement	7,070
Benefits - other (malpractice insurance)	2,223
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	520
Travel	1,005
Registration fees	0
Conference travel	0
Continuing professional education fees	1,234
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	\$119,976

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Thirty-Fourth Judicial District
Office of the Public Defenders,
Chalmette, Louisiana.

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Office's compliance with certain laws and regulations during the year ended June 30, 2020 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Office is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with RS 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

No expenditures were made for materials and supplies exceeding \$30,000 or public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Office as defined by RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Office, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from the Office in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2) as immediate family members.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the finalized budget.

6. Trace the budget adoption and amendments to the minute book.

Due to the size of the Office there are no board members, therefore, this procedure does not apply.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

No revenue or expense line items failed to meet 5% of the final budget.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals by the Office.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meetings law).

This procedure is not applicable since the Office does not have a separate board and the District Defender reports to the Louisiana Public Defender Board.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts.

As stated in agreed-upon procedure (6) above, there are no minutes. We inspected payroll records for the year and noted no instances which would indicate payments of bonuses, advances, or gifts to employees.

This agreed-upon procedures engagement was conducted in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's assertions. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Management of the Office and the Legislative Auditor, State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 2, 2020.

SCHEDULE OF FINDINGS AND RESPONSES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2020

Section I - Summary of Accountant's Review Report

a) Financial Statements

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2020.

Section II - Internal Control Over Basic Financial Reporting and Compliance and Other Matters Material to the Basis Financial Statements

Internal Control Over Basic Financial Reporting

No findings were reported during the review of the basic financial statements for the year ended June 30, 2019.

Compliance and Other Matters

No findings were reported during the review of the basic financial statements for the year ended June 30, 2020.

Section III - Federal Award Findings and Questioned Cost

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2020.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2020

Section I - Internal Control Over Basic Financial Reporting and Compliance and Other Matters Material to the Basis Financial Statements

Internal Control Over Basic Financial Reporting

No findings were reported during the audit of the basic financial statements for the year ended June 30, 2019.

Compliance and Other Matters

No findings were reported during the audit of the basic financial statements for the year ended June 30, 2019.

Section II - Federal Award Findings and Questioned Cost

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2019.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2020

Section I - Compliance and Other Matters Material to the Basis Financial Statements

Compliance and Other Matters

No findings were reported during the review of the basic financial statements for the year ended June 30, 2020.

Section II - Compliance Material to Federal Awards

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2020.

Section III - Management Letter

A management letter was not issued in connection with the audit of the basis financial statements for the year ended June 30, 2020.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

DATE

Bourgeois Bennett, L.L.C.
Certified Public Accountants
P.O. Box 60600
New Orleans, LA 70160-0600 (Auditors)

In connection with your review of our financial statements as of June 30, 2022 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of Date.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.
Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.
Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.
Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.
Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.



District Public Defender



Date