

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND**

Financial Statements

June 30, 2021

DUCOTE & COMPANY
Certified Public Accountants
219 North Washington Street
P. O. Box 309
Marksville, LA 71351

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**Component Unit Financial Statements
June 30, 2021**

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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

Mr. Chad Guillot, District Defender
Twelfth Judicial District Indigent Defender Fund
Marksville, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the designing, implementing, and maintaining 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standard applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 auditors' 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 major fund of the Fund as of June 30, 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 29 and the schedules concerning net pension liability (asset) and pension contributions on pages 30-32 be presented to supplement the basic financial statements. Such information, although not a required 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. 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 provided any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The judicial system funding schedule included on page 34 in other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. Such 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 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 judicial system funding schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reports Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2022, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of audit performed in accordance with *Governmental Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
May 16, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF NET POSITION
June 30, 2021**

ASSETS	
Cash	\$494,913
Accounts receivable	39,818
Deposits	525
Net pension asset	39,904
Property and equipment (net of accum depr)	0
TOTAL ASSETS	<u>575,160</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>32,873</u>
LIABILITIES	
Accounts payable	10,744
TOTAL LIABILITIES	<u>10,744</u>
DEFERRED INFLOWS OF RESOURCES	<u>83,984</u>
NET POSITION	
Restricted	513,305
TOTAL NET POSITION	<u>\$513,305</u>

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

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Operating Grants</u>	<u>Net (Expenses) Revenues</u>
<i>Governmental Activities</i>			
General Government			
Salaries	\$149,500	\$216,352	\$66,852
Payroll taxes and retirement	16,156	23,380	7,224
Insurance	2,993	4,331	1,338
Contract labor	204,650	296,163	91,513
Rent	7,800	11,288	3,488
Professional fees	4,100	5,933	1,833
Other expenses	10,423	15,084	4,661
	<hr/>	<hr/>	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$395,622</u>	<u>\$572,532</u>	176,910
General Revenues:			
Intergovernmental revenues			217,213
Interest			318
			<hr/>
Change in net position			394,441
Net position - beginning of year			<hr/>
			118,864
Net position - end of year			<hr/> <hr/>
			\$513,305

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

FUND FINANCIAL STATEMENTS

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**BALANCE SHEET
GOVERNMENTAL FUND - GENERAL FUND
June 30, 2021**

ASSETS

Cash	\$494,913
Accounts receivable	39,818
Deposits	<u>525</u>
TOTAL ASSETS	<u>\$535,256</u>

LIABILITIES

Accounts payable	<u>\$10,744</u>
TOTAL LIABILITIES	<u>10,744</u>

EQUITY AND OTHER CREDITS

Fund balance, restricted	<u>524,512</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$535,256</u>
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The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021**

Total fund balance for the governmental fund at June 30, 2021		\$524,512
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows and inflows that are not financial resources or currently payable:		
Deferred outflows	\$32,873	
Deferred inflows	<u>(83,984)</u>	(51,111)
Non current assets are not measurable and due in the current period and, therefore, are not reported in the governmental funds:		
Net pension asset		<u>39,904</u>
Net position at June 30, 2021		<u>\$513,305</u>

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

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND - GENERAL FUND
For the Year Ended June 30, 2021**

REVENUES

Court costs on fines & forfeitures	\$253,995
Intergovernmental Revenues:	
State Grant	524,529
Interest earnings	<u>318</u>
Total Revenues	<u>778,842</u>

EXPENDITURES

General government	
Salaries and related benefits	170,005
Contract attorneys	204,650
Legal and accounting	4,100
Insurance	2,993
Capital outlay	0
Other	<u>18,223</u>
Total Expenditures	<u>399,971</u>
Excess (Deficiency) of Revenues Over Expenditures	378,871
Fund balance, beginning of year	<u>145,641</u>
Fund balance, end of year	<u>\$524,512</u>

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

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Total net changes in fund balance for the year ended June 30, 2021, per Governmental Funds:	\$378,871
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Amounts reported for governmental activities in the statement of activities are different because:

Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities the net pension expense is reported according to the estimates required by GASB 68:

Revenue or (expense) recognized due to difference between projected and actual pension expense:

Pension expense	4,349	
Miscellaneous revenues	11,221	15,570

Changes in net position of governmental funds	<u>\$394,441</u>
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The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021**

INTRODUCTION

The Twelfth Judicial District Indigent Defender Fund was established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parish of Avoyelles, Louisiana.

During the 2007 Regular Session of the Louisiana State Legislature, Act No. 37 was adopted, thereby creating, and establishing as a state agency within the office of the governor, the Louisiana Public Defender Board to provide for the supervision, administration and delivery of a statewide public defender system, which must deliver uniform public defender services in all courts in the state. The Board is composed of fifteen members who are appointed by the governor, chief justice of the Supreme Court of Louisiana, the president of the Senate, the speaker of the House of Representatives, the president of the Louisiana State Bar Association, the Louisiana Chapter of the Louis A Marinet Society, the chairman of the Louisiana State Law Institute's Children Code Committee and the Louisiana Interchurch Conference. The Board is funded by deductions from fines and forfeitures to administer the indigent defender system of the district courts. Expenditures are governed by Act 307 of 2007 and the actions of the Board. The creation of this statewide agency required all Indigent Defender Funds to report on a June 30th year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The indigent defender fund is part of the operations of the district court system. The district court system is fiscally dependent on the Avoyelles Parish Police Jury for office space and courtrooms. The indigent defender fund is not dependent on the Avoyelles Parish Police Jury for office space. However, the police jury's general-purpose financial statements would be incomplete or misleading without inclusion of district court system and the indigent defender fund. For these reasons, the indigent defender fund was determined to be a component unit of the Avoyelles Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Twelfth Judicial District Indigent Defender Fund and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government wide fund financial statements report the information of all the non-fiduciary activities of the Twelfth Judicial District Indigent Defender Fund. Governmental activities are normally supported by fees and assessments and state funding, which are reported separately from any business-type activities, which rely to a significant extent on fees and user charges.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fees, assessments and state funding, collected by the Twelfth Judicial District Indigent Defender Fund.

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 the related cash flows.

Governmental fund financials statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In accordance with Statement No. 63, in some instances, the Governmental Accounting Standards Board require a governmental entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, governmental entities are required to delay a recognition of increase in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delay recognition of expenditures or revenues, respectively.

C. FUND ACCOUNTING

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

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds - Governmental funds account for all or most of the Indigent Defender Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the board. The following are the board's governmental funds:

General Fund - the primary operating fund of the Indigent Defender Board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to board policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

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

The amounts reflected in the General Fund, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Indigent Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available are net current assets.

Expenditures

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the fund as a whole. These statements include all the financial activities of the Indigent Defender Fund. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

E. BUDGETS

The Indigent Defender Fund uses the following budget practices:

1. The budget is prepared by the administrator and submitted to the state
2. The budget is used as a management tool for revenue and expense control
3. All budgetary appropriations lapse at year-end

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and time deposits. Under state law, the Indigent Defender Fund may deposit funds in demand deposits, interest-bearing deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES

The Indigent Defender Fund does not have a formal policy for vacation and sick leave.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost, if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5 – 7 years
Furniture and fixtures	5 – 7 years

I. EQUITY CLASSIFICATIONS

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

Investment in capital assets – consists of capital assets including restricted assets, net of accumulated depreciation

Restricted net assets - consists of net assets restricted for indigent defender fund activities

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. GOVERNMENTAL FUND BALANCES

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the Twelfth Judicial District Indigent Defender Fund.

Assigned fund balance – amounts that are constrained by the Twelfth Judicial District Indigent Defender Fund's intent that they will be used for specific purpose.

Unassigned fund balance - all other amounts not included in the other spendable classifications

It is the Fund's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. The Fund uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

NOTE 2 – CASH AND CASH EQUIVALENTS

At year end, June 30, 2021, the cash consisted of deposits with banks, with a book value of \$494,913.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federally 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.

Custodial Credit Risk – Deposits: At year end, the Fund had bank balances of \$512,960. These deposits were secured by federal depository insurance of \$250,000 and pledged securities of \$262,960.

The Twelfth Judicial District Indigent Defender Fund has not formally adopted a deposit or investment policy that limits the government's allowable deposits or investments and addresses custodial credit risk or interest rate risks.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 3 – RECEIVABLES

At June 30, 2021, receivables were comprised of amounts due from other governments, consisting of court costs and fees totaling \$39,818.

NOTE 4 – GENERAL FIXED ASSETS

The changes in general fixed assets for the twelve months ended June 30, 2021, are as follows:

	<u>Balance 6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2021</u>
General Fixed Assets	\$3,531	<u>\$0</u>	<u>\$0</u>	\$3,531
Accumulated Depreciation	<u>(3,531)</u>	<u>0</u>	<u>0</u>	<u>(3,531)</u>
Net Fixed Assets	<u>\$0</u>			<u>\$0</u>

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana, 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 any employee contributions) are recognized when due and payable in accordance with the benefit terms.

Plan Description. The Twelfth Judicial District Indigent Defender Fund contributes to the Parochial Employees' Retirement System of Louisiana, 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 and pays persons servicing the parish and is administered by a separate Fund of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Fund are members of Plan A.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

All permanent employees of a parish who work at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System.

Retirement Benefits:

Any member of Plan A can retire providing he or she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- a. Any age with 30 years or more of creditable service.
- b. Age 55 with 25 years of creditable service.
- c. Age 60 with a minimum of 10 years of creditable service.
- d. Age 65 with a minimum of 7 years of creditable service

For employees hired after to January 1, 2007:

- a. Age 55 with 30 years of creditable service.
- b. Age 62 with a minimum of 10 years of creditable service.
- c. Age 67 with a minimum of 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of their final average compensation multiplied by his/her years of creditable service. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions 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 or amended by state statute.

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 by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. According to state statute 11:1103, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020 rate for Plan A for the fiscal year ended December 31, 2020 was 12.25% of employee compensation. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Fund are established and may be amended by state statute.

The Fund's contributions to the System under Plan A for each of the years ended June 30, 2021, 2020, and 2019, were \$18,314, 18,050, and \$16,583, respectively, equal to the required contributions for the year.

At June 30, 2021, the District reported a net pension asset of \$39,904 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, as actuarially determined. At December 31, 2020, the District's proportionate share was .023877%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the District recognized pension expense of \$18,314 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$4,349.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 5 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$9,715	(\$4,828)
Changes of assumptions	(1,907)	71,126
Net difference between projected and actual earnings on pension plan investments	(21,360)	16,363
Changes in proportion and differences between employer contribution and proportionate share of contributions	37,421	1,323
Employer contributions subsequent to measurement date	9,004	0
Total	\$32,873	\$83,984

The Fund reported \$9,004 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of December 31, 2020, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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 ended June 30,	
2021	\$(16,640)
2022	\$(5,548)
2023	\$(25,212)
2024	\$(12,870)

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 6 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.40%, net of investment expense, including inflation
Expected remaining service lives	4 years
Inflation rate	2.30%
Projected salary increases	4.75%
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 Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for annuitants and beneficiaries. 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.
Mortality	

The long-term expected real rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM 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 7.10% for the year ended December 31, 2020.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 6 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The resulting expected long term rate of return was 7.00%. Best estimate of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	367.00%
Real assets	2%	11.00%
Totals	<u>100%</u>	<u>5.00%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>7.00%</u>

Discount rate. The discount rate used to measure the total pension liability was 6.40%. 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 will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on these 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.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 6 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the participating employers using the discount of 6.40%, as well as what the employers' net pension (asset) or liability would be if it were calculated using a discount rate that is one percent lower (5.40%) or one percent higher (7.40%), than the current rate:

	Changes in Discount Rate 2020		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.40%	6.40%	7.40%
Net Pension (Asset) Liability	\$83,667	(\$39,904)	(\$143,393)

NOTE 7 – ADMINISTRATIVE CHANGE

Bradley Dauzat, Administrator of the 12th Judicial District Indigent Defender Fund, submitted his resignation effective June 17, 2020. He agreed to continue to serve as interim administrator until such time a new administrator is selected. Mr. Chad Guillot, was appointed District Defender for the 12th Judicial District at the May 13, 2021 meeting of the Louisiana Public Defender Board, effective immediately.

NOTE 8 – SUBSEQUENT EVENTS

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. The related financial impact and duration cannot be reasonably estimated at this time.

The 12th Judicial District Indigent Defender Fund received a State Grant in the amount of \$217,213, on June 30, 2021, to be used for the purchase and renovation of an office building for the Indigent Defender Fund. The office building was purchased on September 24, 2021, at a price of \$175,000. As of the date of this report, renovations were not yet completed.

Subsequent events have been evaluated through May 16, 2022, which is the date the financial statements were available to be issued. No material financial subsequent events have occurred since June 30, 2021, that required recognition in the financial statements.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 8 – ACT 706 – SCHEDULE OF COMPENSATION, REIMBURSEMENTS, AND OTHER PAYMENTS TO THE AGENCY HEAD

Under Act 706, the Public Defender's Office is required to disclose the compensation, reimbursements, benefits, and other payments made to the agency head.

The following is a schedule of payments to the District Defender for the year ended June 30, 2021:

Agency Head: Bradley Dautat, Administrator/District Defender through May 13, 2021

Salary	\$61,250
Benefits – retirement	8,391
Telephone	<u>2,051</u>
Total	<u>\$71,692</u>

Agency Head: Chad Guillot, District Defender effective May 13, 2021

Salary	\$ 6,250
Benefits – retirement	856
Telephone	<u>196</u>
Total	<u>\$ 7,302</u>

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2021**

NOTE 9 – GOVERNMENTAL FUND REVENUE AND EXPENDITURES

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

REVENUES

State Government		
Appropriations – Special	\$307,316	
Appropriations – Capital acquisitions	217,213	
Local Government		
Statutory fines, forfeitures, fees		
Court costs, and other	253,995	
Investments earnings	<u>318</u>	
 Total Revenues		 <u>\$778,842</u>

EXPENDITURES

Personnel Services and Benefits		
Salaries	149,500	
Retirement Contributions	18,314	
Payroll Taxes	<u>2,191</u>	170,005
Operating Costs		
Contract Services – attorney	204,650	
Lease – office	7,800	
Utilities and telephone	5,485	
Other	<u>12,031</u>	<u>229,966</u>
 Total Expenditures		 <u>\$399,971</u>

REQUIRED SUPPLEMENTARY INFORMATION

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND-GENERAL FUND
For the Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Court costs on fines & forfeitures	\$167,453	\$253,995	\$86,542
Intergovernmental Revenues:			
State Grant	141,770	524,529	382,759
Interest earnings	261	318	57
	<u>309,484</u>	<u>778,842</u>	<u>469,358</u>
EXPENDITURES			
General government			
Salaries and related benefits	180,170	170,005	(7,327)
Contract attorneys	212,800	204,650	8,150
Legal and accounting	4,000	4,100	(100)
Insurance	5,600	2,993	2,607
Capital outlay	0	0	0
Other	26,344	18,223	8,121
	<u>428,914</u>	<u>399,971</u>	<u>28,943</u>
Excess (Deficiency) of Revenues Over Expenditures	(119,430)	378,871	<u>\$498,301</u>
Fund balance, beginning of year	<u>145,641</u>	<u>145,641</u>	
Fund balance, end of year	<u>\$26,211</u>	<u>\$524,512</u>	

See independent accountants' audit report.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

Schedule of Employer's Share of Net Pension Liability

For the Year Ended June 30, 2021

Year Ended June 30,	Employer Proportion Of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2015	.024317%	\$6,648	\$137,600	4.84%	99.15%
2016	.023999%	\$63,172	\$137,600	45.91%	92.23%
2017	.023202%	\$47,785	\$137,600	28.41%	94.15%
2018	.022579%	\$(16,759)	\$137,600	-12.78%	101.98%
2019	.022383%	\$99,344	\$144,200	68.89%	88.86%
2020	.023877%	\$1,124	\$152,000	.7395%	99.89%
2021	.023877%	(\$39,904)	\$149,500	-26.69%	104.00%

*The amounts presented have a measurement date of December 31st of the previous year

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent accountants' audit report.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

Schedule of Employer Contributions

For the Year Ended June 30, 2021

Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contribution as a % of Covered Employee Payroll
2015	\$20,984	\$20,984	\$ 0	\$137,600	15.25%
2016	\$18,404	\$18,404	\$ 0	\$137,600	13.75%
2017	\$17,544	\$17,544	\$ 0	\$137,600	12.75%
2018	\$17,888	\$17,888	\$ 0	\$137,600	13.00%
2019	\$16,583	\$16,583	\$ 0	\$144,200	11.50%
2020	\$17,480	\$17,480	\$ 0	\$152,000	11.50%
2021	\$18,314	\$18,314	\$ 0	\$149,500	12.25%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent accountants' audit report.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

Notes to Required Supplementary Information

For the Year Ended June 30, 2021

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District Public Defender adopts the budget on behalf of the Fund before the start of the new fiscal year. Any changes in the budget must be within estimated revenues and reserves. Budgetary appropriations lapse at year end.

NOTE 2 – PENSION PLAN

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

OTHER SUPPLEMENTARY INFORMATION

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY

For the Year Ended June 30, 2021

**This schedule was prescribed by the Louisiana Legislative Auditor's Office
As Required by Act 87 of the 2020 Regular Legislative Session**

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Receipts from:		
Avoyelles Parish District Attorney:		
Criminal Court, Pre Trial Intervention	\$2,750	\$8,808
Avoyelles Parish Sheriff:		
Booking Fees	1,050	1,420
Bonding Fees	18,077	29,575
Court Costs	47,177	71,947
Bunkie City Court Criminal Court Costs	9,582	20,433
Marksville City Court Criminal Court Costs	3,015	4,274
 Total Receipts	 \$81,651	 \$136,457
 Ending Balance of Amounts Assessed But Not Received		
	\$0	\$0

See independent accountants' audit report.

**INTERNAL CONTROL, COMPLIANCE,
AND OTHER MATTERS**

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

Chad Guillot, District Defender
12th Judicial District Court Indigent Defender Fund
Marksville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities the Twelfth Judicial District Court Indigent Defender Fund (the Fund) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court's basic financial statements, and have issued our report thereon dated May 16, 2022

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Indigent Defender Fund of the Twelfth Judicial District Court'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Indigent Defender Fund of the Twelfth Judicial District Court's internal control. Accordingly, we do not express an opinion on the effectiveness of The Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit results as Item 2021-1, that we consider to be a material weakness.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twelfth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under *Government Auditing Standards*.

Twelfth Judicial District Public Defender Fund's Response to Finding

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

Purpose of 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.

This report is for the information and use of the management of the governing body and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Ducote & Company

Marksville, Louisiana
May 16, 2022

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**Schedule of Audit Results
For the Year Ended June 30, 2021**

I SUMMARY OF AUDIT RESULTS

The following summarizes the audit results:

1. An unmodified opinion was issued on the financial statements of the Twelfth Judicial District Indigent Fund as of and for the year ended June 30, 2021.
2. The audit disclosed one significant deficiency in internal control, and it was not considered a material weakness.
3. The audit disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

II FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Internal Control

2021-01 Segregation of Duties

Criteria – The Fund should have employees available to execute the ongoing duties related to financial matters.

Condition – Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

Cause - The Indigent Defender Fund (The Fund) does not have a sufficient number of employees to adequately separate accounting duties or to prepare the annual financial statements with related note disclosures.

Effect – Intentional or unintentional errors could be made and not be detected within the accounting system..

Recommendation – Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

Management's Response – It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of The Fund to have our independent auditors prepare our annual financial statements. We understand that we should review the financial statements and accept responsibility for their contents and presentation.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**Schedule of Audit Results
For the Year Ended June 30, 2021
(continued)**

**III PRIOR YEAR AUDIT FINDINGS
Compliance**

2020-01 Budget and Budgetary Accounting

Condition – An unfavorable budget variance in excess of 5% occurred in the General Fund

Recommendation – Management should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to ensure compliance with state statutes.

Current Status - Resolved