

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

**Component Unit Financial Statements
June 30, 2022**

Table of Contents

	Page No.
Independent Accountants' Audit Report	1-3
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet - Governmental Fund	9
Reconciliation of Governmental Fund Balance Sheet to The Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	11
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	12
Notes to the Financial Statements	13-26
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	28
Schedule of Employer's Share of Net Pension Liability	29
Schedule of Employer's Contributions	30
Notes to Required Supplementary Information	31
Other Supplementary Information	
Judicial System Funding Schedule – Receiving Entity	33
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 <i>Government Auditing Standards</i>	35-36
Schedule of Audit Results	37-38

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, 2022, 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, 2022, 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 28 and the schedules concerning net pension liability (asset) and pension contributions on pages 29-31 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 33 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 December 12, 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
December 12, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
June 30, 2022**

ASSETS	
Cash	\$388,437
Accounts receivable	18,200
Deposits	525
Net pension asset	99,070
Property and equipment (net of accum depr)	215,060
TOTAL ASSETS	<u>721,292</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>27,456</u>
LIABILITIES	
Accounts payable	1,300
Accrued liabilities	8,987
Contracts payable	40,000
TOTAL LIABILITIES	<u>50,287</u>
DEFERRED INFLOWS OF RESOURCES	<u>94,789</u>
NET POSITION	
Restricted	603,672
TOTAL NET POSITION	<u>\$603,672</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, 2022**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Operating Grants</u>	<u>Net (Expenses) Revenues</u>
<i><u>Governmental Activities</u></i>			
General Government			
Salaries	\$126,617	\$78,236	(\$48,381)
Payroll taxes and retirement	11,144	6,886	(4,258)
Insurance	4,386	2,710	(1,676)
Contract labor	268,100	165,657	(102,443)
Rent	7,800	4,820	(2,980)
Professional fees	8,365	5,169	(3,196)
Other expenses	<u>14,894</u>	<u>9,203</u>	<u>(5,691)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$441,306</u></u>	<u><u>\$272,679</u></u>	<u>(168,627)</u>
General Revenues:			
Intergovernmental revenues			258,487
Interest			<u>507</u>
Change in net position			90,367
Net position - beginning of year			<u>513,305</u>
Net position - end of year			<u><u>\$603,672</u></u>

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, 2022**

ASSETS

Cash	\$388,437
Accounts receivable	18,200
Deposits	<u>525</u>
TOTAL ASSETS	<u><u>\$407,162</u></u>

LIABILITIES

Accounts payable	\$1,300
Accrued liabilities	8,987
Contracts payable	<u>40,000</u>
TOTAL LIABILITIES	<u>50,287</u>

EQUITY AND OTHER CREDITS

Fund balance, restricted	<u>356,875</u>
--------------------------	----------------

TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$407,162</u></u>
---	--------------------------------

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, 2022**

Total fund balance for the governmental fund at June 30, 2022		\$356,875
Amounts reported for governmental activities in the statement of net position are different because:		
Net property and equipment		215,060
Deferred outflows and inflows that are not financial resources or currently payable:		
Deferred outflows	\$27,456	
Deferred inflows	<u>(94,789)</u>	(67,333)
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>99,070</u>
Net position at June 30, 2022		<u>\$603,672</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, 2022**

REVENUES

Court costs on fines & forfeitures	\$236,486
Intergovernmental Revenues:	
State Grant	258,487
Interest earnings	507
	495,480
Total Revenues	495,480

EXPENDITURES

General government	
Salaries and related benefits	145,013
Contract attorneys	268,100
Legal and accounting	8,365
Insurance	3,886
Capital outlay	215,060
Other	22,693
	663,117
Total Expenditures	663,117
Excess (Deficiency) of Revenues Over Expenditures	(167,637)
Fund balance, beginning of year	524,512
Fund balance, end of year	\$356,875

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, 2022**

Net change in fund balances - governmental funds (\$167,637)

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 is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay reported as expenditure	\$215,060	
Depreciation expense	0	215,060

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	6,751	
Miscellaneous revenues	36,193	42,944

Changes in net position of governmental funds \$90,367

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, 2022**

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
Buildings	25-30 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, 2022**

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, 2022, the cash consisted of deposits with banks, with a book value of \$388,437.

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 \$388,437. These deposits were secured by federal depositary insurance of \$250,000 and pledged securities of \$138,437.

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, 2022**

NOTE 3 – RECEIVABLES

At June 30, 2022, receivables were comprised of amounts due from other governments, consisting of court costs and fees totaling \$18,200.

NOTE 4 – PROPERTY AND EQUIPMENT

The changes in property and equipment for the twelve months ended June 30, 2022, are as follows:

	<u>Balance 6/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2022</u>
Non Depreciable Assets:				
Construction in progress	\$0	\$215,060	\$0	\$215,060
Depreciable Assets:				
Machinery and Equipment	\$3,531	\$0	\$0	\$3,531
Accumulated Depreciation	(3,531)	0	0	(3,531)
Net Depreciable Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Property and Equipment	<u>\$0</u>	<u>\$215,060</u>	<u>\$0</u>	<u>\$215,060</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.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2022**

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2022**

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

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, 2021 rate for Plan A was 12.25% of employee compensation. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary.

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, 2022, 2021, and 2020, were \$14,859, \$18,314, and 18,050, respectively, equal to the required contributions for the year.

At June 30, 2022, the District reported a net pension asset of \$99,070 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, 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, 2021, the District's proportionate share was .021032%.

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

For the year ended June 30, 2022, the District recognized pension expense of \$14,859 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$6,751.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2022**

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, 2022, 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	\$5,986	\$7,180
Changes of assumptions	5,167	0
Net difference between projected and actual earnings on pension plan investments	8,979	85,593
Changes in proportion and differences between employer contribution and proportionate share of contributions	550	2,016
Employer contributions subsequent to measurement date	6,774	0
Total	\$27,456	\$94,789

The Fund reported \$6,744 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of December 31, 2021, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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,	
2023	\$(16,407)
2024	\$(34,620)
2025	\$(23,045)
2026	\$(9,329)

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2022**

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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2021
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
Mortality	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.

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 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.0% for the year ended December 31, 2021.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2022**

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, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed income	33%	0.85%
Equity	51%	3.23%
Alternatives	14%	0.71%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>4.90%</u>
Inflation		<u>2.10%</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, 2022**

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	\$17,662	(\$99,070)	(\$196,854)

NOTE 7 – SUBSEQUENT EVENTS

An office building was purchased on September 24, 2021, at a price of \$175,000. Renovations to the building were begun in May 2022 and as of the date of this report, renovations were not yet completed. The project as of June 30, 2022, is reported in property and equipment as construction in progress. The renovations were completed for the new office space in September 2022 and the Fund office moved to the location in September 2022.

Subsequent events have been evaluated through December 12, 2022, which is the date the financial statements were available to be issued. No material financial subsequent events have occurred since June 30, 2022, that required recognition in the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2022**

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, 2022:

Agency Head: Chad Guillot, District Defender

Salary	\$50,000
Benefits – retirement	5,984
Payroll taxes	725
Telephone	<u>2,277</u>
 Total	 <u>\$59,151</u>

NOTE 9 – GOVERNMENTAL FUND REVENUE AND EXPENDITURES

For the year ended June 30, 2022, the major sources of governmental fund revenues and expenditures were as follows:

REVENUES

State Government		
Appropriations – Special	\$258,487	
Local Government		
Statutory fines, forfeitures, fees		
Court costs, and other	236,486	
Investments earnings	<u>507</u>	
Total Revenues		<u>\$495,480</u>

EXPENDITURES

Personnel Services and Benefits		
Salaries	126,617	
Retirement Contributions	14,859	
Payroll Taxes	<u>3,038</u>	144,514
Operating Costs		
Contract Services – attorney	268,100	
Lease – office	7,800	
Utilities and telephone	6,929	
Capital outlay	215,060	
Other	<u>20,714</u>	518,603
Total Expenditures		<u>\$663,117</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, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Court costs on fines & forfeitures	\$234,500	\$236,486	\$1,986
Intergovernmental Revenues:			
State Grant	380,560	258,487	(122,073)
Interest earnings	<u>280</u>	<u>507</u>	<u>227</u>
Total Revenues	<u>615,340</u>	<u>495,480</u>	<u>(119,860)</u>
EXPENDITURES			
General government			
Salaries and related benefits	211,600	145,013	17,665
Contract attorneys	285,600	268,100	17,500
Legal and accounting	4,500	8,365	(3,865)
Insurance	5,600	3,886	1,714
Capital outlay	178,520	215,060	(36,540)
Other	<u>74,150</u>	<u>22,693</u>	<u>51,457</u>
Total Expenditures	<u>759,970</u>	<u>663,117</u>	<u>96,853</u>
Excess (Deficiency) of Revenues Over Expenditures	(144,630)	(167,637)	<u><u>(\$23,007)</u></u>
Fund balance, beginning of year	<u>524,512</u>	<u>524,512</u>	
Fund balance, end of year	<u><u>\$379,882</u></u>	<u><u>\$356,875</u></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, 2022

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%
2022	.021032%	(\$99,070)	\$124,900	-79.30%	110.46%

*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, 2022

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%
2022	\$17,211	\$17,211	\$0	\$140,500	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, 2022

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, 2022

**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 12/31/2021	Second Six Month Period Ended 6/30/2022
Receipts from:		
Avoyelles Parish District Attorney:		
Criminal Court, Pre Trial Intervention	\$6,665	\$3,540
Avoyelles Parish Sheriff:		
Booking Fees	1,288	510
Bonding Fees	36,185	26,180
Court Costs	61,787	64,400
Bunkie City Court Criminal Court Costs	16,020	13,185
Marksville City Court Criminal Court Costs	3,535	3,060
 Total Receipts	 \$125,480	 \$110,875
 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, 2022, 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 December 12, 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 2022-01, 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 one instance of noncompliance, described in the accompanying schedule of audit results as Item 2022-02, that is 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
December 12, 2022

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

**Schedule of Audit Results
For the Year Ended June 30, 2022**

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, 2022.
2. The audit disclosed one significant deficiency in internal control, and it was not considered a material weakness.
3. The audit disclosed one instance of noncompliance required to be reported under *Government Auditing Standards*.

II FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Internal Control

2022-01 Segregation of Duties (Prior Year 2021-01)

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, 2022
(continued)**

**II FINDINGS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(continued)**

**Compliance
2022-02 Budget**

Criteria – Louisiana State Statute RS 39:1311 *Budgetary Authority and Control* provides for budget amendments when total actual revenues and other sources plus projected revenues for the year are less than the budgeted revenue and other sources by 5% or more.

Condition – Actual revenues were below budget by 19%. This unfavorable variance exceeds the allowable amount of 5%.

Cause - The Indigent Defender Fund (The Fund) did not monitor its budget closely and did not adopt a budgetary amendment to reflect the decrease in revenues.

Effect – The Fund may not prevent and/or detect compliance violations as a result of actual revenues falling below budgeted revenues in a timely manner.

Recommendation – Management should periodically compare budgeted amounts to actual amounts to identify the need for budget amendments in a timely manner.

Management's Response – Management concurs and has agreed to adhere to the provisions of LSA-RS: 39:1911 by monitoring financial statements closely and adopting budget amendments as necessary and required.

III PRIOR YEAR AUDIT FINDINGS

**Compliance
2021-01 Segregation of Duties**

Condition – Due to limited number of employees, the Fund is not able to properly segregate duties related to financial matters.

Recommendation – Management concurs; however 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.

Current Status – Unresolved-ongoing

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND**

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2021 through June 30, 2022

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mr. Chad Guillot, District Defender and the Louisiana Legislative Auditor
Twelfth Judicial District Indigent Defender Fund
Marksville, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period. The Twelfth Judicial District Indigent Defender Fund management is responsible for those C/C areas identified in the SAUPs.

The Twelfth Judicial District Indigent Defender Fund has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

This section is not applicable to the Twelfth Judicial District Indigent Defender Fund. Effective August 17, 2007, the revised Indigent Defender Act removed the board at the local judicial district level. As a result, there are no local public board meetings held for the Twelfth Judicial District Indigent Defender Fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;

- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of applying procedures listed above, except for the following exceptions noted:

Written Policies:

The Twelfth Judicial District Indigent Defender Fund does not have written policies and procedures addressing any of the areas listed.

Bank Reconciliations:

Management does review all bank reconciliations; however not reconciliations were initialed indicating review by management.

Collections:

The same employee is responsible for collecting cash and preparing/making bank deposits as well as posting to the general ledger at the one deposit location for the Twelfth Judicial District Indigent Defender Fund. This is due to the small size of the entity.

No employee who has access to cash is bonded or insured.

Payroll and Personnel:

There was no documentation in the personnel files to indicate rates of pay or raises for employees.

Information Technology Disaster Recover:

The Twelfth Judicial District Indigent Defender Fund does not maintain a back up log for backup schedules or testing of backup system.

There were no indications of current and anti-virus software on the computers.

Sexual Harassment:

One employee of the employees tested did not complete sexual harassment training during the required timeframe.

The Twelfth Judicial District Indigent Defender Fund did not complete an annual sexual harassment report by or prior to February 1, 2022.

Management's Response:

Management of the Twelfth Judicial District Indigent Defender Fund concurs with the exceptions and is working to address the deficiencies as identified.

We were engaged by The Twelfth Judicial District Indigent Defender Fund to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

We are required to be independent of The Twelfth Judicial District Indigent Defender Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 12, 2022