

**Office of Twenty-First Judicial
District Public Defender
Amite, Louisiana**

Annual Financial Statements

Year Ended June 30, 2021

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Annual Financial Statements
As Of and For the Year Ended June 30, 2021
With Required Supplementary Information Schedules

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Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
 Annual Financial Statements
 As Of and For the Year Ended June 30, 2021
 With Required Supplementary Information Schedules

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PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Auditor's Report

Office of Twenty-First Judicial
District Public Defender
Amite, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Office Of Twenty-First Judicial District Public Defender, Amite, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Office of Twenty-First Judicial District Public Defender's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the general fund of the Office of Twenty-First District Public Defender, 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 management's discussion and analysis (on pages 7 through 13), budgetary comparison information (on page 43), and pension information (on pages 44 and 45) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Public Defender's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer and the justice system funding schedule-receiving entity listed as other supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basis financial statements.

The schedule of compensation, benefits and other payments to agency head or chief executive officer and the justice system funding schedule-receiving entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the schedule of compensation, benefits and other payments to agency head or chief executive officer and the justice system funding schedule-receiving entity are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the Office of Twenty-First District Public Defender's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Public Defender's internal control over financial reporting and compliance.

Ted Baker & Co, LLP

Metairie, Louisiana
August 31, 2022

Required Supplemental Information (Part I)
Management's Discussion and Analysis

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

**Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021**

Introduction

The Office of Twenty-First Judicial District Public Defender (the "Public Defender") is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* (GASB 34), and related standards.

The Public Defender's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Public Defender's financial activity, (c) identify changes in the Public Defender's financial position, (d) identify any significant variations from the Public Defender's financial plan, and (e) identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this Management's Discussion and Analysis should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this Management's Discussion and Analysis.

Financial Highlights

- At June 30, 2021, the Public Defender's assets exceeded its liabilities by \$1,193,833 (net position). Of this amount \$1,179,144 (unrestricted net position) may be used to meet the Public Defender's ongoing obligations to provide services to citizens.
- At June 30, 2021, the Public Defender reported an ending fund balance of \$1,295,416, an increase of \$750,390 for the year. \$1,267,382 of this amount is available for spending at the Public Defender's discretion.
- For the year ended June 30, 2021, the Public Defender's total debt decreased by \$14,894 or approximately 100.00% due primarily to the decrease in net pension liability as required by GASB 68.
- Investment income for the year ended June 30, 2021 was \$1,692, a decrease of \$20,957.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021

Overview of the Annual Financial Report

The Management's Discussion and Analysis is intended to serve as an introduction to the Public Defender's basic financial statements, which consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Public Defender's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Public Defender's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Public Defender is improving or deteriorating.

The Statement of Activities presents information showing how the Public Defender's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Public Defender's various revenues. This is intended to summarize and simplify the reader's analysis of the cost and/or subsidy of various governmental services.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Public Defender, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Public Defender uses a single category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

**Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021**

Governmental funds are used to account for all the Public Defender's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Public Defender's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Public Defender's programs. The basic governmental fund financial statement can be found on pages 18 and 20 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Public Defender's more immediate decisions on the current use of financial resources. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation immediately following the fund financial statements to facilitate this comparison between governmental funds and governmental activities. Also, see Note 1.E. for a similar reconciliation.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 41 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Public Defender's net position for the current year as compared to the prior year. For more detailed information, see the Statement of Net Position on page 15 of this report.

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021

Statement of Net Position
June 30, 2021 and June 30, 2020

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 1,998,414	\$ 678,599	\$ 1,319,815	194%
Capital Assets	<u>14,689</u>	<u>18,979</u>	<u>(4,290)</u>	-23%
Total Assets	<u>2,013,103</u>	<u>697,578</u>	<u>1,315,525</u>	189%
Deferred Outflows of Resources	<u>493,822</u>	<u>377,157</u>	<u>116,665</u>	31%
Liabilities:				
Current Liabilities	133,384	133,573	(189)	0%
Long-Term Liabilities	<u>-</u>	<u>14,894</u>	<u>(14,894)</u>	-100%
Total Liabilities	<u>133,384</u>	<u>148,467</u>	<u>(15,083)</u>	-10%
Deferred Inflows of Resources	<u>1,179,708</u>	<u>701,124</u>	<u>478,584</u>	68%
Net Position:				
Net Investment in Capital Assets	14,689	18,979	(4,290)	-23%
Restricted	-	-	-	0%
Unrestricted	<u>1,179,144</u>	<u>206,165</u>	<u>972,979</u>	472%
Total Net Position	<u>\$ 1,193,833</u>	<u>\$ 225,144</u>	<u>\$ 968,689</u>	430%

Approximately 1.2% of the Public Defender's net position reflects its investment in capital assets (land, buildings, furniture, and equipment) net of any outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Approximately 98.8% of the Public Defender's net position is unrestricted and may be used to meet the Public Defender's ongoing obligations to its citizens at the Public Defender's discretion.

At the end of the current fiscal year, the Public Defender was able to report positive balances in its sole category of net position, governmental activities. The same held true for the prior fiscal year.

The Public Defender's activities increased its net position by \$972,979; the increase is mainly attributable to the increase in operating grants.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

**Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021**

In order to further understand what makes up the changes in net position, the following table provides a summary of the results of the Public Defender's activities for the current period as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on page 16 of this report.

**Changes in Net Position
For The Year Ended June 30, 2021 and the Year Ended June 30, 2020**

	2021	2020	\$ Change	% Change
Program Revenues				
Operating grants	\$ 2,688,779	\$ 1,914,719	\$ 774,060	40%
Court costs, fines, bonds and other	1,556,770	1,523,714	33,056	2%
Charges for Services	75,015	126,681	(51,666)	-41%
Total program revenues	<u>4,320,564</u>	<u>3,565,114</u>	<u>755,450</u>	21%
General Revenues:				
Interest earnings	1,692	22,649	(20,957)	-93%
Miscellaneous	13,233	5,843	7,390	126%
Total general revenues	<u>14,925</u>	<u>28,492</u>	<u>(13,567)</u>	-48%
Expenses:				
Salaries and related benefits	2,708,747	2,946,118	(237,371)	-8%
Insurance	29,757	26,367	3,390	13%
Other attorneys	406,816	473,922	(67,106)	-14%
Other expenditures	114,810	113,418	1,392	1%
Professional fees	31,200	46,650	(15,450)	-33%
Publications	1,440	3,146	(1,706)	-54%
Rent-office	41,009	41,209	(200)	0%
Travel	9,156	10,704	(1,548)	-14%
Utilities and telephone	16,691	16,008	683	4%
Depreciation expense	7,174	9,548	(2,374)	-25%
Total Expenses	<u>3,366,800</u>	<u>3,687,090</u>	<u>(320,290)</u>	-9%
Changes in Net Position	968,689	(93,484)	1,062,173	-1136%
Net Position, Beginning of Year	<u>225,144</u>	<u>318,628</u>	<u>(93,484)</u>	-29%
Net Position, End of Year	<u>\$ 1,193,833</u>	<u>\$ 225,144</u>	<u>\$ 968,689</u>	430%

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

**Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021**

Governmental Activities

The Public Defender's governmental net position increased by \$968,689, or by 430% of the prior year ending net position, to \$1,193,883. General revenues decreased by \$13,567 and expenses decreased by \$320,290; however, total revenues exceeded total expenses causing the net increase in changes in net position.

The increase in revenues noted above is primarily due to increases in state funding.

Fund Financial Analysis

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

Government Funds

The focus of the Public Defender's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Public Defender's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Public Defender's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 18 and 20 of this report.

At the end of the current year, the Public Defender reported an ending fund balance of \$1,295,416. This represents an increase of \$750,390 or 137.7% of the prior year's ending balance.

Major Governmental Fund Budgetary Highlights

The Public Defender followed the provisions of LSA-R.S. 39:1307 in preparing, and adopting a budget for the year ended June 30, 2021. The original budget was advertised and a public hearing was held as required. Actual revenues were 24.03% above anticipated results and actual expenditures were unfavorably within budgeted amounts by 2.56%.

The Public Defender is not expecting any significant changes in operations and services in the future, and next year's activities are expected to be stable and similar to the current period.

Capital Assets and Debt Administration

Capital Assets

The Public Defender's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$14,689 (net of depreciation). Asset (net) purchases were \$2,884. The total decrease in the Public Defender's investment in capital assets for the current fiscal year

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

**Management's Discussion and Analysis
As Of and For the Year Ended June 30, 2021**

was \$4,290 (net of depreciation).

The following table provides a summary of the Public Defender's capital assets at the end of the current year as compared to the prior year. For more detailed information see Note 6 to the financial statements on page 31 of this report.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Equipment	\$ 156,694	\$ 156,694
Furniture	<u>23,409</u>	<u>20,525</u>
	<u>\$ 180,103</u>	<u>\$ 177,219</u>

Long-Term Debt

At June 30, 2021, the Public Defender had no long-term debt outstanding (from loans or borrowings), nor did it have any as of June 30, 2020.

Contacting The Public Defender's Financial Management

This financial report is designed to provide the Public Defender's users with a general overview of the Public Defender's finances and show the Public Defender's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to Office of Twenty-First Judicial District Public Defender, Post Office Box 1004, Amite, Louisiana 70422.

Basic Financial Statements
Government-Wide Financial Statements

**Office Of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Statement Of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 260,508
Investments, at fair value	1,026,901
Receivables	112,828
Other assets-security deposits	529
Prepaid expense	28,034
Net pension asset	569,614
Capital assets, net	<u>14,689</u>
 Total assets	 <u>2,013,103</u>
 Deferred Outflows of Resources	
Pension related	<u>493,822</u>
Total deferred outflows of resources	<u>493,822</u>
 Liabilities	
Accounts payable	7,340
Payroll payables	16,801
Accrued compensated absences	<u>109,243</u>
Total liabilities	<u>133,384</u>
 Deferred Inflows of Resources	
Pension related	<u>1,179,708</u>
Total deferred inflows of resources	<u>1,179,708</u>
 Net Position	
Net investment in capital assets	14,689
Unrestricted	<u>1,179,144</u>
 Total net position	 <u><u>\$ 1,193,833</u></u>

The Notes to the Financial Statements are an integral part of these statements.

Office Of Twenty-First Judicial District Public Defender

Amite, Louisiana

Statement Of Activities

Year Ended June 30, 2021

	Governmental <u>Activities</u>
Expenditures/Expenses	
Salary and related benefits	\$ (2,708,747)
Insurance	(29,757)
Other attorneys	(406,816)
Other expenditures	(114,810)
Professional fees	(31,200)
Publications	(1,440)
Rent	(41,009)
Travel	(9,156)
Utilities and telephone	(16,691)
Depreciation	<u>(7,174)</u>
Total expenditures/expenses	(3,366,800)
Program Revenues	
Operating grants	2,688,779
Court cost, fines, bonds and other	1,556,770
Charges for services	<u>75,015</u>
Net program (expense) revenue	<u>953,764</u>
General Revenues	
Interest earnings	1,692
Miscellaneous	<u>13,233</u>
Total general revenues	<u>14,925</u>
Change In Net Position	968,689
Net Position	
Beginning of the year	<u>225,144</u>
End of the year	<u><u>\$ 1,193,833</u></u>

The Notes to the Financial Statements are an integral part of these statements.

Basic Financial Statements
Governmental Fund Financial Statements

**Office Of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Balance Sheet - Governmental Fund

June 30, 2021

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 260,508
Investments	1,026,901
Receivables	112,828
Prepaid expenses	28,034
Other assets-security deposits	<u>529</u>
Total assets	<u><u>\$ 1,428,800</u></u>
 Liabilities And Fund Balances	
Liabilities:	
Accounts payable	\$ 7,340
Payroll payables	16,801
Accrued compensated absences	<u>109,243</u>
Total liabilities	<u>133,384</u>
Fund Balances:	
Nonspendable-prepays	28,034
Unassigned	<u>1,267,382</u>
Total fund balances	<u>1,295,416</u>
Total liabilities and fund balances	<u><u>\$ 1,428,800</u></u>

The Notes to the Financial Statements are an integral part of these statements.

Office Of Twenty-First Judicial District Public Defender
Amite, Louisiana
 Reconciliation Of The Governmental Fund Balance Sheet
 To The Government-Wide Statement Of Net Position
 June 30, 2021

Total Fund Balances, Governmental Fund	\$	1,295,416
Amounts reported for governmental activities in the statement of net position are different because:		
Net pension asset		569,614
Deferred outflows and inflows are not financial resources or currently payable:		
Deferred outflows	493,822	
Deferred inflows	<u>(1,179,708)</u>	(685,886)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The assets consist of:		
Governmental capital assets, net of depreciation		14,689
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds:		
Net pension liability		<u>-</u>
Total Net Position, Governmental Activities	\$	<u><u>1,193,833</u></u>

The Notes to the Financial Statements are an integral part of these statements.

Office Of Twenty-First Judicial District Public Defender
Amite, Louisiana
Statement Of Revenues, Expenditures, And Changes In Fund Balances
Governmental Fund
Year Ended June 30, 2021

	<u>General Fund</u>
Revenues	
Intergovernmental Revenues	
Grants	\$ 2,688,779
Court costs, fines, bonds and other	1,556,770
Charges for services	75,015
Interest earnings	1,692
Miscellaneous	13,233
Total revenues	<u>4,335,489</u>
Expenditures	
Salary and related benefits	(2,931,336)
Insurance	(29,757)
Other attorneys	(406,816)
Other expenditures	(114,810)
Professional fees	(31,200)
Publications	(1,440)
Rent	(41,009)
Travel	(9,156)
Utilities and telephone	(16,691)
Capital outlay	(2,884)
Total expenditures	<u>(3,585,099)</u>
Excess Of Revenues Over Expenditures	750,390
Other Financing Sources (Uses)	<u>-</u>
Net Change In Fund Balance	750,390
Fund Balances At Beginning Of Year	<u>545,026</u>
Fund Balances At End Of Year	<u>\$ 1,295,416</u>

The Notes to the Financial Statements are an integral part of these statements.

**Office Of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Fund
To The Statement Of Activities
Year Ended June 30, 2021

Total Net Change In Fund Balances, Governmental Fund	\$	750,390
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expenses. These differences consist of:

Capital outlay	2,884	
Depreciation expense	<u>(7,174)</u>	(4,290)

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 estimates required by GASB 68:

Pension expenses paid	268,556	
Pension expenses per GASB 68	<u>(45,967)</u>	<u>222,589</u>

Change In Net Position, Governmental Activities	\$	<u>968,689</u>
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The Notes to the Financial Statements are an integral part of these statements.

Basic Financial Statements
Notes to the Financial Statements

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

Introduction

The Office of Twenty-First Judicial District Public Defender (hereinafter referred to as “Public Defender”), was established in compliance with Louisiana Revised Statutes 15:141-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The Public Defender has both full and part-time employees. In August 2007, the Louisiana Public Defender Act (Act 307) passed the Louisiana Legislature creating the Louisiana Public Defender Board which has the supervisory responsibilities over the Public Defender.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the Office of Twenty-First Judicial District Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

B. Financial Reporting Entity

For the financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defender is a part of the district court system of the State of Louisiana. The Public Defender has the responsibility for the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Public Defender is financially independent and operates autonomously from the State of Louisiana and independent from the district court system. Therefore, the Public Defender reports as a reporting entity, not as a component unit and the basic financial statements include only the transactions of the Public Defender.

C. Fund Accounting And Governmental Funds

The Public Defender 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 Public Defender functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

C. Fund Accounting And Governmental Funds (continued)

Governmental Funds

Governmental funds account for all of the Public Defender'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 Public Defender.

The Public Defender reports the following governmental fund:

General Fund - The General Fund is the general operating fund of the Public Defender. 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 Public Defender policy.

D. Measurement Focus/Basis Of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund 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 Public Defender operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Public Defender considers revenues to be available if they are collected within sixty (60) days after the year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments, are recorded only when payment is due. The governmental funds use the following practices in recording revenues and expenditures:

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Court costs are recorded when due. Substantially all other revenues are recorded when received.

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

E. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Public Defender as a whole. These statements include all the financial activities of the Public Defender. Information contained in these statements is reported using 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 the timing of related cash flows. 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 Statement of Activities are derived directly from the Public Defender’s users as a fee for services; program revenues reduce the cost of the function to be financed from the Public Defender’s general revenues. Program revenues also include operating grants and funds received from local court systems in the district.

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

Reconciliation

The reconciliation of the items reflected in the governmental fund financial statements to the Statement of Activities (Statement B) and Statement of Net Position (Statement A) are as follows:

Statement F	
Capitalization of Capital Assets	\$ 2,884
Recording of Depreciation Expense	(7,174)
Pension Expenses Paid	268,556
Pension Expenses per GASB 68	<u>(45,967)</u>
 Net Effect of Changes	 <u>\$ 218,299</u>
 Statement D	
Deferred Outflows/Inflows	(685,886)
Recording Net Capital Assets	14,689
Net Pension Asset	<u>569,614</u>
 Net Effect of Changes	 <u>\$ (101,583)</u>

F. Budgets and Budgetary Accounting

The Public Defender followed the provisions of LSA-R.S. 39:1307 in preparing, adopting, and amending a budget for the year ended June 30, 2021. The original budget was advertised and a public hearing was held as required.

Formal budgetary integration is not employed; however, periodic budget comparisons are made a part of interim reporting. Budgeted amounts included in the accompanying financial statements are the original and final adopted budget amounts.

G. Cash And Cash Equivalents

The Public Defender's cash and cash equivalents include demand deposits, interest-bearing demand deposit and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the Public Defender may deposit funds in demand deposits, interest-bearing demand 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. Cash and cash equivalents are insured through the Federal Deposit Insurance Corporation.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

H. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Public Defender's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

I. 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 Position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Machinery and equipment	5-10 years
Buildings and building improvements	20-40 years
Furniture and fixtures	5 years
Vehicles	5-10 years

J. Compensated Absences

Vacation and sick leave policies are set by the Public Defender. Employees receive four weeks vacation if continuously employed for ten years, three weeks vacation if continuously employed for five years, and two weeks if continuously employed for one year. Vacation leave does not accrue. Sick leave is accumulated at the rate of one day per month beginning with the first full month of employment. Sick leave may be accrued up to a maximum of sixty days. Accrued sick leave will not be paid to an employee upon termination; therefore, no accruals for sick leave are reflected in these basic financial statements. The holidays designated as court holidays by the State Legislature are observed. While vacation leave does not accrue, the Public Defender records unused vacation leave at June 30th, the end of its fiscal year.

K. Current Year Adoption of New Accounting Standards

There were no new accounting standards of significance adopted during the current year.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

L. Long-Term Obligations

Other than liabilities related to the pension plan, there were no long-term obligations at June 30, 2021.

M. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Nonspendable balance represents resources, generally, not in spendable form (such as prepaids). Committed or assigned amounts represent management's plans that are subject to change. Unassigned fund balance represents amounts available for any purpose.

The Public Defender's policy is to apply expenditures against nonspendable, restricted, committed, assigned and unassigned fund balances, in that order, at the end of the fiscal year by adjusting journal entry.

N. Restricted Net Position

For government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments; or
2. Imposed by law through constitutional provisions or enabling legislation.

O. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Public Defender, which are either unusual in nature or infrequent in occurrence.

P. 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 reported period. Actual results could differ from those estimates.

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

Q. Pensions

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

2. Cash and Cash Equivalents

At June 30, 2021, the Public Defender had cash and cash equivalents (book balances) totaling \$260,508 as follows:

Total cash and cash equivalents	\$ 260,508
Less: petty cash	<u>(1,299)</u>
Interest Bearing Demand Deposits	<u>\$ 259,209</u>

These demand deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the Public Defender in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2021, the Public Defender had \$392,889 in bank deposits (collected bank balances). These deposits are secured from risk by \$250,000 federal deposit insurance. Of these deposits, \$142,889 is collateralized with securities held by the Federal Reserve Bank in the name of the Public Defender.

3. Investments

At June 30, 2021 the Public Defender had the following investments:

LAMP	<u>\$ 1,026,901</u>
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The Public Defender invests monies with LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is generally 88 days or less as of December 31, 2020.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

4. Receivables

The following is a summary of receivables at June 30, 2021:

Class of Receivable:	
Court cost on fines and forfeitures	<u>\$ 112,828</u>

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

5. Interfund Receivable/Payable

Interfund receivables and payables are recorded when one fund overpays or underpays its portion of an expenditure. The Public Defender had no interfund receivables and payables since it had only one fund.

6. Capital Assets

Capital assets and depreciation for governmental activities as of and for the year ended June 30, 2021:

	6/30/2020	Increases	Decrease	6/30/2021
Capital Assets Depreciated				
Equipment	\$ 156,694	\$ -	\$ -	\$ 156,694
Furniture	<u>20,525</u>	<u>2,884</u>	<u>-</u>	<u>23,409</u>
Total Capital Assets Depreciated	<u>177,219</u>	<u>2,884</u>	<u>-</u>	<u>180,103</u>
 Less Accumulated Depreciation For				
Furniture and Equipment	<u>158,240</u>	<u>7,174</u>	<u>-</u>	<u>165,414</u>
Total Accumulated Depreciation	<u>158,240</u>	<u>7,174</u>	<u>-</u>	<u>165,414</u>
 Capital Assets Being Depreciated, Net	<u>\$ 18,979</u>	<u>\$ (4,290)</u>	<u>\$ -</u>	<u>\$ 14,689</u>

Depreciation expenses of \$7,174 for the year ended June 30, 2021 were charged to the Governmental activities.

7. Accounts, Salaries and Other Payables

The payables at June 30, 2021 are as follows:

Accounts payable	\$ 7,340
Payroll payables	16,801
Accrued compensated absences	<u>109,243</u>
 Total Liabilities	 <u>\$ 133,384</u>

8. Short-Term Debt

The Public Defender had no short-term debt outstanding at June 30, 2021, and had no short-term debt activity during the year then ended.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

9. Leases

The Public Defender records items under capital leases as an asset and an obligation in the accompanying financial statements. The Public Defender had no capital leases outstanding at June 30, 2021. The Public Defender began leasing a building in Livingston, LA in July 1, 2016 for a three (3) year term. Under the terms of the lease the Public Defender pays \$2,471 rent per month and is responsible for increases in real estate property tax and for minor repairs and maintenance on the building. The lease provides one (1) 3-year renewal option. Total rent expense under this lease for the year was \$29,652. Total future minimum rental payments under the initial lease term ending June 30, 2019 are zero. The 3-year renewal option was exercised July 1, 2019. Total future minimum rental payments under the renewal are \$29,652.

10. Long-Term Obligations

Other than pension related obligations, the Public Defender has no long-term debt outstanding at June 30, 2021, and had no long-term debt activity during the year then ended.

11. Pension Plan

Plan Description

Substantially all full-time employees of Office of Twenty-First Judicial District Public Defender of Tangipahoa Parish are members of the Parochial Employees' Retirement System of Louisiana (System), a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two (2) distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Public Defender are members of Plan A.

Benefits Provided

All permanent employees working 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. Under Plan A, an employee is eligible for retirement benefits after meeting one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

11. Pension Plan (continued)

For employees hired after January 1, 2007:

1. Age 55 with (30) years of service.
2. Age 62 with (10) years of service.
3. Age 67 with (7) years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

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

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary. According to state statute, contributions by the Public Defender are actuarially determined each year. For the plan year ended December 31, 2020, the actuarially determined contribution was 11.11% of member's compensation. However, the actual contribution rate for plan year ended December 31, 2020 was 12.25%, and the current rate at June 30, 2021 is 12.25%.

Also by state statute, the System receives one-fourth (1/4) of one percent (1%) of ad valorem taxes collected within the respective parishes, except Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. 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 Public Defender are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Public Defender's contributions to the System under Plan A for the

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

11. Pension Plan (continued)

year ending June 30, 2021, were \$268,556, equal to the required contributions for that year.

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

At June 30, 2021, the Public Defender reported an asset of \$569,614 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Public Defender's proportion of the net pension asset was based on a projection of the Public Defender's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2020, the Public Defender's proportion was .324860%.

For the year ended June 30, 2021, the Public Defender recognized pension expense of \$45,967, net of employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions. At June 30, 2021, the Public Defender reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 138,682	\$ 67,987
Changes of assumptions	186,360	-
Net difference between projected and actual earnings on pension plan investments	-	1,111,721
Changes in proportion and differences between Public Defender contributions and proportionate share of contributions	32,772	-
Public Defender contributions made subsequent to the measurement date	136,008	-
	\$ 493,822	\$ 1,179,708

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

11. Pension Plan (continued)

The Public Defender reported \$136,008, as deferred outflows of resources related to pensions resulting from Public Defender contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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:	
2022	\$ (219,040)
2023	(71,003)
2024	(350,237)
2025	(181,614)

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
Expected remaining service lives	4 years
Projected salary increase	4.75%
Cost of living adjustment	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 Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using the MP2018 scale. Pub-2010 Public

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

11. Pension Plan (continued)

Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

Inflation rate 2.30%

Change In Assumptions

Amounts reported in fiscal year ended December 31, 2020 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was 6.40% as of the valuation date December 31, 2020.

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 (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 pension plan investment expenses 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 2.0% and an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return was 7.0%. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed income	33%	.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	2%	0.11%
	100%	5.00%
Inflation		2.00%
Expected arithmetic nominal return		7.00%

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

11. Pension Plan (continued)

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 PRSAC 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.

Sensitivity to Change in Discount Rate

The following presents the net pension liability/asset of the participating employers calculated using the discount rate of 6.40%, as well as what the employers’ net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate.

	Change in Discount Rate 2020		
	1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
Net Pension Liability (Asset)	\$ 367,639,664	\$(175,341,383)	\$(630,076,390)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Parochial Employee’s Retirement System of Louisiana financial report. Access to the audit report can be found on the System’s website: www.persla.org, or on the Office of Louisiana Legislative Auditor’s official website: www.la.state.la.us.

Payables To The Pension Plan

At June 30, 2021, payables to the pension plan for contractually required employer contributions for the quarter totaled \$0.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

12. Other Postemployment Benefits

The Public Defender offers a Retirement Group Insurance Plan to qualifying employees upon separation of services. The 21st PDO Retirement Group Insurance Plan includes employer provided health insurance benefits offered to current full-time employees. The 21st PDO Retirement Group Insurance Plan will be governed as follows:

1. In order to qualify for participation in the 21st PDO Retirement Group Insurance Plan, an employee must have at least twenty (20) years in the Parochial Employees' Retirement System with at least ten (10) being with the 21st Judicial District Public Defender. The participant must also have been covered under the Employee Group Insurance Plan for at least one year prior to retirement. A plan participant may only select coverage up to the extent that the participant had coverage under the Employee Group Insurance Plan for the year prior to retirement. The participant may reduce coverage but may not increase coverage.
2. The Public Defender will cover 50% of the total premium up to \$350 per month for a maximum of five years.
3. The retired employee may elect to continue coverage on dependents with the Public Defender paying no portion of the premiums.
4. If a plan participant and the spouse and dependents, if covered, become eligible for Medicare, the participant must make an election to remain covered under the current group health insurance plan or be covered under the medicare supplement plan. For participants in the medicare supplement plan, the Public Defender will pay 100% of the total premium up to \$350 per month for a maximum of five years. You may not participate in both plans concurrently. For example, you may not elect the medicare supplement plan for one family member and leave another on the group health insurance plan. Once the election is made it may not be changed. The Public Defender will not pay any portion of the premium for dependents. If the participant elects an individual medicare supplement plan, the district will reimburse the participant on a quarterly basis after verification of payment is provided.

Due to the number of employees eligible to participate at this time, no accrual for other postemployment benefits has been made as of June 30, 2021, as the amount is immaterial.

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

13. Risk Management

The Public Defender is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defender attempts to minimize risk from significant losses through the purchase of commercial insurance.

14. Related Party Transactions

There were no related party transactions for the year ended June 30, 2021.

15. Litigation and Claims

At June 30, 2021, the Public Defender was not involved in any outstanding litigation or claims.

16. Subsequent Events and Management's Review

Management has evaluated subsequent events through August 31, 2022, the date the financial statements were available to be issued.

On August 1, 2022, the original lease agreement for the Livingston office building was amended to add a second renewal term of three (3) years beginning August 1, 2022 and expiring July 31, 2025, at a monthly rent of \$2,721.

Office of Twenty-First Judicial District Public Defender

Amite, Louisiana

Notes to the Financial Statements

As Of and For the Year Ended June 30, 2021

17. Governmental Fund Revenues and Expenditures

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

Revenues:

State Government

Grants	<u>\$ 2,688,779</u>	
Totals		\$ 2,688,779

Local Government

Appropriations - general	25,000	
Statutory fines, forfeitures, fees, court costs, and other	<u>1,606,785</u>	
Total		1,631,785

Investment Earnings 1,692

Miscellaneous 13,233

Total Revenues \$ 4,335,489

**Office of Twenty-First Judicial District Public Defender
Amite, Louisiana**

Notes to the Financial Statements
As Of and For the Year Ended June 30, 2021

17. Governmental Fund Revenues and Expenditures (continued)

Expenditures:

Personnel Services and Benefits

Salaries	\$ 2,204,528	
Retirement contributions	268,556	
Payroll taxes	31,929	
Insurance	<u>426,323</u>	
Total		2,931,336

Professional Development

Dues, license and registrations	<u>6,095</u>	
Total		6,095

Operating Costs

Contract services - attorney/legal	406,816	
Contract services - other	46,452	
Lease - office	29,452	
Lease - other	11,557	
Travel - transportation	9,756	
Insurance	29,757	
Supplies	33,499	
Repair and maintenance	4,092	
Utilities and telephone	16,691	
Other	<u>56,712</u>	
Total		644,784

Capital Outlay

		<u>2,884</u>
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Total Expenditures \$ 3,585,099

Required Supplemental Information (Part II)

Office Of Twenty-First Judicial District Indigent Defender
Amite, Louisiana
Statement Of Revenues, Expenditures, And Changes In Fund Balances
Budget and Actual (non-GAAP budgetary basis)
Governmental Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Favorable
	Original	Final	Amounts: Budgetary Basis	(Unfavorable) Variance
Revenues				
Fees from indigents	\$ 185,000	\$ 185,000	\$ 226,585	\$ 41,585
Application fees	100,000	100,000	75,015	(24,985)
Court cost on fines and forfeitures	1,177,000	1,177,000	1,330,185	153,185
State grants	2,013,177	2,013,177	2,688,779	675,602
Interest earnings	20,000	20,000	1,692	(18,308)
Miscellaneous	300	300	13,233	12,933
Total revenues	3,495,477	3,495,477	4,335,489	840,012
Expenditures				
Salary and related benefits	2,787,477	2,787,477	2,931,336	(143,859)
Expert witness fee	1,500	1,500	-	1,500
Insurance	30,000	30,000	29,757	243
Other attorneys	452,000	452,000	406,816	45,184
Other expenditures	94,000	94,000	114,810	(20,810)
Professional fees	48,000	48,000	31,200	16,800
Publications	5,000	5,000	1,440	3,560
Rent	42,000	42,000	41,009	991
Travel	7,500	7,500	9,156	(1,656)
Utilities and telephone	18,000	18,000	16,691	1,309
Capital outlay	10,000	10,000	2,884	7,116
Total expenditures	3,495,477	3,495,477	3,585,099	(89,622)
Excess Of Revenues Over Expenditures	-	-	750,390	750,390
Fund Balances At Beginning Of Year	545,026	545,026	545,026	-
Fund Balances At End Of Year	\$ 545,026	\$ 545,026	\$ 1,295,416	\$ 750,390

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Schedule of the Public Defender's Share of Net Pension Liability
Year Ended June 30, 2021

Year Ended June 30,	Public Defender's Proportion Of the Net Pension Liability (Asset)	Public Defender's Proportionate Share of the Net Pension Liability (Asset)	Public Defender's Covered-employee Payroll	Public Defender's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Parochial Employees' Retirement System of Louisiana					
2015	0.266870%	\$ 72,964	\$ 1,622,481	4.50%	99.15%
2016	0.301729%	\$ 794,238	\$ 1,729,997	45.91%	92.23%
2017	0.310184%	\$ 638,828	\$ 1,839,561	34.73%	94.15%
2018	0.221873%	\$ (164,684)	\$ 1,822,529	-9.04%	101.98%
2019	0.299022%	\$ 1,327,167	\$ 1,838,268	72.20%	88.86%
2020	0.316382%	\$ 14,894	\$ 2,006,103	0.74%	99.89%
2021	0.324860%	\$ (569,614)	\$ 2,169,755	-26.25%	104.00%

* The amounts presented were determined as of the measurement date (previous calendar year).

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2021.

Changes of Assumptions

The changes of benefit assumptions about future economic or demographic factors 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.

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Schedule of the Public Defender's Contributions
Year Ended June 30, 2021

Year Ended June 30,	Public Defender's Proportion Of the Contractually Required Contribution	Contributions In Relation To Contractually Required Contribution	Public Defender's Contribution Deficiency (Excess)	Public Defender's Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
Parochial Employees' Retirement System of Louisiana					
2015	\$ 248,213	\$ 248,213	\$ -	\$ 1,628,870	15.24%
2016	\$ 251,827	\$ 251,827	\$ -	\$ 1,832,952	13.74%
2017	\$ 231,096	\$ 231,096	\$ -	\$ 1,812,385	12.75%
2018	\$ 220,428	\$ 220,428	\$ -	\$ 1,836,795	12.00%
2019	\$ 213,964	\$ 213,964	\$ -	\$ 1,860,555	11.50%
2020	\$ 255,914	\$ 255,914	\$ -	\$ 2,154,404	11.88%
2021	\$ 268,556	\$ 268,556	\$ -	\$ 2,192,293	12.25%

* The amounts presented were determined as of the end of the fiscal year.

This schedule is intended to show information for 10 years. Additional years will be displayed

Other Supplementary Information

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Schedule of the Public Defender's Contributions
Year Ended June 30, 2021

Schedule of Compensation, Benefits and Other Payments to Agency Head,
Or Chief Executive Officer

The schedule of compensation, benefits and other payments to agency head, political subdivision head or chief executive officer is presented in compliance with Act 706 of the 2014 Session of the Louisiana Legislature.

Agency Head Name: Reginald McIntyre

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 119,600
Payroll taxes	1,734
Benefits - health insurance	11,565
Benefits - life insurance	77
Benefits - retirement	14,651
Meal reimbursement	53
PDAL application & conference registration	165
	<u>\$ 147,845</u>

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
 Justice System Funding Schedule - Receiving Entity
 (As required by Act 87 of the 2020 Regular Legislative Session)
 Year Ended June 30, 2021

LLA Entity ID# 1627

	<u>First Six Month Period Ended 12/31/2020</u>	<u>Second Six Month Period Ended 6/30/2021</u>
Receipts From:		
Jason Ard, Livingston Parish Sheriff Office - Criminal Bond Fees	73,897	111,065
Tangipahoa Parish Sheriff Office - Criminal Bond Fees	73,261	102,440
Nathaniel Williams, St. Helena Ph. - Criminal Bond Fees	2,718	4,556
Denham Springs - Criminal Bond Fees	6	2
Livingston Ph., 21st Judicial District Court Traffic Costs/Fees	100,196	129,296
Tanigpahoa Ph., 21st Judicial District Court Traffic Costs/Fees	144,508	171,755
City of Hammond, City Court Traffic Cost/Fees	73,340	90,597
Denham Springs City Court Fees	50,723	64,649
City of Walker Court Cost/Fees	22,890	32,900
City of Ponchatoula City Court Fees	13,261	11,672
St. Helena Ph., 21st Judicial Distirct Court Traffic Costs/Fees	6,830	5,407
Subtotal Receipts	561,630	724,339

Note: Cash Basis Presentation

Other Reports and Findings

PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting And On Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Office of Twenty-First
Judicial District Public Defender
Amite, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Office of the Twenty-First Judicial District Public Defender (Public Defender) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Public Defender's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Defender's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Defender's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Defender's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance *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 intended solely for the information and use of management of the Public Defender and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Teddehore PC, LLP

Metairie, Louisiana
August 31, 2022

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Schedule of Findings and Questioned Cost
Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? _____yes X no

Significant deficiencies identified not considered to be material weaknesses? _____yes X none

Noncompliance material to financial statements noted? _____yes X no

Section II – Financial Statement Audit Findings

There are no financial statement findings.

Section III – Federal Award Findings and Questioned Costs

Not applicable

Section IV – Management Letter

None issued

Office of Twenty-First Judicial District Public Defender
Amite, Louisiana
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2021

The Office of Twenty-First Judicial District Public Defender respectfully submits the following schedule of prior year audit findings for the year ended June 30, 2021.

Section I – Internal Control and Compliance Material to the Financial Statements

There are no prior year findings.

Section II – Internal Control and Compliance Material to Federal Awards

Not Applicable

Section III – Management Letter

None issued.