

**DISTRICT ATTORNEY OF THE TWENTY-FIRST JUDICIAL DISTRICT
AMITE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

As of and for the Year Ended December 31, 2018

Table of Contents

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report	-	-	1 - 3
Basic Financial Statements:			
Statement of Net Position	A	-	5
Statement of Activities	B	-	6
Governmental Funds - Balance Sheet	C	-	7
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	D	-	8
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	E	-	9
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	F	-	10
Statement of Fiduciary Net Assets	G	-	11
Notes to the Financial Statements	-	-	12 - 29
Required Supplemental Information:			
Budgetary Comparison Schedule - General Fund	-	1	31
Budgetary Comparison Schedule - Title IV-D Fund	-	2	32
Budgetary Comparison Schedule - Incentive Fund	-	3	33
Budgetary Comparison Schedule - Pre-Trial Intervention Fund	-	4	34
Schedule of the District Attorney's Proportionate Share of the Net Pension Liability:			
District Attorney's Retirement System of Louisiana	-	5-A	35
Parochial Employees Retirement System of Louisiana	-	5-B	36
Schedule of District Attorney's Contributions:			
District Attorney's Retirement System of Louisiana	-	6-A	37
Parochial Employees Retirement System of Louisiana	-	6-B	38
Other Supplemental Information:			
Schedule of Expenditures of Federal Awards	-	7	40
Schedule of Compensation, Benefits, and Other Payments to Agency Head	-	8	41
Other Independent Auditor's Reports and Findings & Recommendations:			
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 <i>Government Auditing Standards</i>	-	-	43 - 44
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	-	-	45 - 46
Schedule of Findings and Questioned Costs	-	-	47 - 48
Schedule of Prior Year Audit Findings	-	-	49

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Megan E. Lynch, CPA
Christie J. Barado
B. Jacob Steib
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com



Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Auditor's Report

The Honorable Scott M. Perrilloux
District Attorney of the
Twenty-First Judicial District
Amite, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-First Judicial District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-First Judicial District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-First Judicial District as of December 31, 2018, and the respective changes in financial position thereof 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 information on pages 31 to 34, the schedules of the District Attorney of the Twenty-First Judicial District's proportionate share of the net pension liability on pages 35 and 36, and the schedules of the District Attorney of the Twenty-First Judicial District's contributions on pages 37 and 38 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 basic financial statements. 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 is 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 District Attorney of the Twenty-First Judicial District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

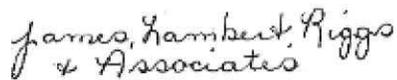
The schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

District Attorney of the Twenty-First Judicial District
Amite, Louisiana

schedule of compensation, benefits, and other payments to agency head and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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 27, 2019, on our consideration of the District Attorney of the Twenty-First Judicial District'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 District Attorney of the Twenty-First Judicial District's 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 District Attorney of the Twenty-First Judicial District's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 27, 2019

Basic Financial Statements

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
Statement of Net Position
December 31, 2018

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 1,286,064
Undeposited Collections	2,130
Due From Others	1,877
Receivables, Net	438,243
Net Pension Asset	199,105
Capital Assets, Net of Accumulated Depreciation (Note 5)	99,543
Total Assets	\$ 2,026,962
Deferred Outflows of Resources	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 18,030
Differences Between Expected and Actual Experience Changes in Assumptions	1,156
	381,910
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	62,788
Contributions Subsequent to the Measurement Date	144,837
Total Deferred Outflows of Resources	\$ 608,721
Liabilities	
Accounts Payable	\$ 11,719
Other Payables	7,685
Net Pension Liability	215,325
Total Liabilities	\$ 234,729
Deferred Inflows of Resources	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 459,991
Differences Between Expected and Actual Experience Changes in Assumptions	160,167
	14,200
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	77,678
Total Deferred Inflows of Resources	\$ 712,036
Net Position	
Net Investment in Capital Assets	\$ 99,543
Unrestricted	1,589,375
Total Net Position	\$ 1,688,918

The accompanying notes are an integral part of this statement.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
Statement of Activities
For the Year Ended December 31, 2018

Exhibit B

	Total	District Attorney Operations	Health and Welfare (IV-D)
Expenses:			
Salaries / Related Benefits	\$ (2,924,072)	\$ (2,104,464)	\$ (819,608)
Automobile	(45,326)	(44,780)	(546)
Contract Services	(30,075)	(24,125)	(5,950)
Dues & Subscriptions	(42,668)	(42,668)	-
Lease Costs	(81,364)	(39,300)	(42,064)
Office Supplies	(106,827)	(95,697)	(11,130)
Other Expenditures	(51,027)	(18,818)	(32,209)
Telephone & Utilities	(113,674)	(85,792)	(27,882)
Training	(39,513)	(39,513)	-
Travel	(52,142)	(52,142)	-
Depreciation	(5,512)	(5,512)	-
Total Expenses	(3,492,200)	(2,552,811)	(939,389)
Program Revenues:			
Charges for Services	1,351,709	1,351,709	-
Operating Grants	2,173,787	1,258,332	915,455
Total Program Revenues	3,525,496	2,610,041	915,455
Net Program (Expense) / Revenue	33,296	57,230	(23,934)
General Revenues:			
Other Revenues	222,675		
Gain / (Loss) on Disposition of Assets	-		
Contributions from Non-Employer			
Contributing Entities	78,423		
Total General Revenues	301,098		
Change in Net Position	334,394		
Net Position - Beginning of the Year	1,354,524		
Net Position - End of the Year	\$ 1,688,918		

The accompanying notes are an integral part of this statement.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
 Governmental Funds – Balance Sheet
 December 31, 2018

Exhibit C

	General Fund	Title IV-D Fund	Incentive Fund	Pre-Trial Intervention Fund	Total
Assets					
Cash and Cash Equivalents	\$ 1,083,984	\$ 17,478	\$ 77,033	\$ 107,569	\$ 1,286,064
Undeposited Collections	-	-	2,130	-	2,130
Due From Others	1,877	-	-	-	1,877
Due From Other Funds	75,196	-	-	-	75,196
Receivables, Net	289,216	149,027	-	-	438,243
Total Assets	\$ 1,450,273	\$ 166,505	\$ 79,163	\$ 107,569	\$ 1,803,510
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ 11,719	\$ -	\$ -	\$ -	\$ 11,719
Due To Other Funds	-	75,196	-	-	75,196
Other Payables	7,685	-	-	-	7,685
Total Liabilities	19,404	75,196	-	-	94,600
Fund Balances:					
Assigned	-	91,309	79,163	107,569	278,041
Unassigned	1,430,869	-	-	-	1,430,869
Total Fund Balances	1,430,869	91,309	79,163	107,569	1,708,910
Total Liabilities and Fund Balances	\$ 1,450,273	\$ 166,505	\$ 79,163	\$ 107,569	\$ 1,803,510

The accompanying notes are an integral part of this statement.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2018

Exhibit D

Total Fund Balances, Governmental Funds (Exhibit C) **\$ 1,708,910**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

 Governmental Capital Assets, Net of Depreciation 99,543

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Asset	199,105
Net Pension Liability	(215,325)
Deferred Outflows of Resources	608,721
Deferred Inflows of Resources	<u>(712,036)</u>

Net Position of Governmental Activities (Exhibit A) **\$ 1,688,918**

The accompanying notes are an integral part of this statement.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Exhibit E

**Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2018**

	General Fund	Title IV-D Fund	Incentive Fund	Pre-Trial Intervention Fund	Total
Revenues:					
Charges for Services	\$ 1,053,061	\$ -	\$ 34,155	\$ 264,493	\$ 1,351,709
Federal Grants	326,427	915,455	-	-	1,241,882
State Grants	-	-	-	-	-
Intergovernmental Parish Grants	560,800	-	76,400	-	637,200
Victim's Assistance Coordinator	90,000	-	-	-	90,000
Bail Bond Licenses	204,705	-	-	-	204,705
Other Revenues	212,647	9,940	88	-	222,675
Total Revenues	<u>2,447,640</u>	<u>925,395</u>	<u>110,643</u>	<u>264,493</u>	<u>3,748,171</u>
Expenditures:					
Salaries / Related Benefits	1,625,016	819,608	61,536	245,483	2,751,643
Automobile	44,780	546	-	-	45,326
Contract Services	20,205	5,950	3,920	-	30,075
Dues & Subscriptions	42,568	-	-	100	42,668
Lease Costs	39,300	42,064	-	-	81,364
Office Supplies	94,819	11,130	724	154	106,827
Other Expenditures	17,877	32,209	530	411	51,027
Telephone & Utilities	68,061	27,882	17,731	-	113,674
Training	32,859	-	-	6,654	39,513
Travel	31,664	-	16,567	3,911	52,142
Capital Outlay	18,041	-	-	-	18,041
Total Expenditures	<u>2,035,190</u>	<u>939,389</u>	<u>101,008</u>	<u>256,713</u>	<u>3,332,300</u>
Excess / (Deficiency) of Revenues Over Expenditures	412,450	(13,994)	9,635	7,780	415,871
Other Financing Sources / (Uses):					
Transfers In / (Out)	(15,000)	15,000	-	-	-
Total Other Financing Sources / (Uses)	(15,000)	15,000	-	-	-
Net Change in Fund Balances	397,450	1,006	9,635	7,780	415,871
Fund Balance - Beginning of the Year	<u>1,033,419</u>	<u>90,303</u>	<u>69,528</u>	<u>99,789</u>	<u>1,293,039</u>
Fund Balance - End of the Year	<u>\$ 1,430,869</u>	<u>\$ 91,309</u>	<u>\$ 79,163</u>	<u>\$ 107,569</u>	<u>\$ 1,708,910</u>

The accompanying notes are an integral part of this statement.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Exhibit F

Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balances, Governmental Funds (Exhibit E)	\$	415,871
--	----	---------

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 and reported as depreciation expense. These differences consist of:

Capital Outlay		18,041
Depreciation Expense		(5,512)

Losses on the disposal of assets reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

-

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense		(172,429)
Contributions from Non-Employer Contributing Entities		<u>78,423</u>

Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>334,394</u>
--	----	----------------

The accompanying notes are an integral part of this statement.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
Statement of Fiduciary Net Assets
December 31, 2018

Exhibit G

Assets	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 970,903
Non-Cash Seized Assets	<u>368,647</u>
 Total Assets	 <u>\$ 1,339,550</u>
 Liabilities and Net Assets	
Liabilities:	
Unsettled Deposits	<u>\$ 1,339,550</u>
Total Liabilities	<u>\$ 1,339,550</u>

The accompanying notes are an integral part of this statement.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements

December 31, 2018

Narrative Profile

The District Attorney of the Twenty-First Judicial District (hereinafter referred to as the “District Attorney”), provided by Article V, Section 26 of the Louisiana Constitution of 1974, has charge of every criminal prosecution by the State in his District, is the representative of the State before the grand jury in his District, and is legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the Twenty-First Judicial District for a term of six years. The Twenty-First Judicial District encompasses the Parishes of Livingston, St. Helena, and Tangipahoa, Louisiana.

The accounting and reporting policies of the District Attorney conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to Louisiana Revised Statute (LRS) 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The District Attorney is a part of the District Court System of the State of Louisiana. However, the state statutes that create the District Attorneys also give the District Attorneys control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The District Attorney is independent from the District Court System and the parish government. Therefore, the District Attorney reports as an independent financial reporting entity.

Based on the criteria established in GASB Statement No. 14, the District Attorney’s office has determined that it is a primary government. The District Attorney’s office has also determined that there are no component units for financial reporting purposes.

B. Basic Financial Statements – Government-Wide Financial Statements

The District Attorney’s basic financial statements include both government-wide (reporting the District Attorney’s office as a whole) and fund financial statements (reporting the District Attorney’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All District Attorney activities are classified as governmental activities. The District Attorney has no business-type activities.

Statement of Net Position – In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District Attorney’s net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District Attorney first utilizes restricted resources to finance qualifying activities.

Statement of Activities – The government-wide Statement of Activities reports both the gross and net cost of the District Attorney’s functions. The functions are also supported by general revenues (Criminal Court Fund reimbursements, interest income, etc.). The Statement of Activities reduces gross expenses

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

(including depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the ongoing operations of the District Attorney. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants report capital-specific grants and contributions. The net costs (by function) are normally covered by general revenues.

The District Attorney does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District Attorney are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and business-type combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

Governmental Funds – The focus of the governmental funds' measurement (in the fund statements) is the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District Attorney reports these governmental funds and fund types:

General Fund - established in compliance with LRS 15:571.11, which provides that twelve (12%) percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of the office.

Worthless check collection fees collected in accordance with LRS 16:15, which provides for a specific fee whenever the District Attorney collects and processes a worthless check, are accounted for in the general fund. Expenditures of this revenue are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office, but may not be used to supplement the salary of the District Attorney.

Grant funds not legally required to be accounted for in separate funds are also recorded in the general fund.

Title IV-D Special Revenue Fund - consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

Incentive Special Revenue Fund – used to account for payments received from the parishes, which are considered incentive amounts used to supplement the IV-D contract. These funds are generally used for the operations of the juvenile division.

Pre-Trial Intervention Special Revenue Fund – used to account for the enrollment fees of participants in this program. The fund also serves as an agency to handle restitution payments made by the participants.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

The fiduciary fund of the District Attorney is an agency fund described as follows:

Special District Attorney Asset Forfeiture Trust Fund – accounts for assets held as an agent for others. The assets held are those seized under the provisions of LRS 40:2601 to 40:2622. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Capital assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balances.

The government-wide Statement of Net Position and Statement of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position.

The fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The District Attorney considers all revenues available if they are collected within 60 days after year-end. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the fund liability is incurred.

The Statement of Net Position and the Statement of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

E. Budgets and Budgetary Accounting

A budget was adopted for the fiscal year ended December 31, 2018, presenting a complete financial plan for the general fund and special revenue funds. The budget was prepared on the modified accrual basis. Budget adoption included public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget held on December 11, 2017, at which time the budget was adopted. Because of variances between budgeted and actual amounts, the 2018 operating budget was amended on

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

December 10, 2018. The amendment process included all phases of budget adoption as described above. Unexpended budget balances lapse at year-end. The level of control for each budget is on the fund basis.

F. Cash, Cash Equivalents, and Investments

The District Attorney's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District Attorney may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District Attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments for the District Attorney are reported at cost.

G. Allowance for Uncollectible Accounts

The District Attorney calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance for uncollectible accounts as of December 31, 2018, was determined based upon the likely collectability of individual receivables based upon their age.

H. Capital Assets

Capital assets are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District Attorney's capitalization threshold of \$1,000 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value at the date of donation.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

I. Compensated Absences

The District Attorney has the following policy relating to vacation and sick leave:

Each full-time clerical employee is entitled to 10 days of annual and 10 days of sick leave per year. Employees with 10 years of service or more are entitled to 15 days of annual and 15 days of sick leave per year. Sick leave can be accumulated up to a maximum of 30 days beyond the District Attorney's fiscal year-end. Upon termination, the current year's unused annual leave is paid but any unused sick leave is forfeited.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditures when leave is actually taken.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

J. Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

When both restricted and unrestricted resources are available for use, it is the District Attorney's policy to use restricted resources first, then unrestricted resources as they are needed.

K. Fund Balance

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

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes due to enabling legislation, State or Federal laws, or externally imposed by grantors, creditors, or citizens.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the District Attorney (the office's highest level of decision-making authority).
4. Assigned Fund Balance – amounts intended to be used by the District Attorney for specific purposes but do not meet the criteria to be classified as restricted or committed. Funds in the Title IV-D Special Revenue Fund, Incentive Special Revenue Fund, and Pre-Trial Intervention Special Revenue Fund are considered to be assigned.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

The District Attorney considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

As of December 31, 2018, the District Attorney did not have any nonspendable, restricted, or committed fund balances.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

L. Interfund Transactions

Permanent re-allocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

M. Estimates

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1-E regarding operating budgets. The District Attorney complied with the Local Government Budget Act in adopting and amending its budgets for the year ended December 31, 2018.

B. Excess of Expenditures Over Appropriations

As of December 31, 2018, the District Attorney had no funds with an excess of expenditures over appropriations.

C. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District Attorney complied with the deposits and investments laws and regulations.

D. Deficit Fund Equity

As of December 31, 2018, the District Attorney had no funds with deficit fund equities.

3. Cash and Cash Equivalents

As reflected on Exhibit A, the District Attorney has cash and cash equivalents totaling \$1,286,064 at December 31, 2018, excluding the cash of the agency fund totaling \$970,903.

These 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 bank. These pledged 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.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

The following is a summary of cash and cash equivalents (bank balances) at December 31, 2018, with the related federal deposit insurance and pledged securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 357,878
Collateralized:	
Collateral held by District Attorney's agent in the District Attorney's name	-
Collateral held by pledging bank's trust department in the District Attorney's name	-
Collateral held by pledging bank's trust department not in the District Attorney's name	2,089,041
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 2,446,919</u>

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to custodial credit risk under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District Attorney's deposits may not be returned to it. The District Attorney does not have a deposit policy for custodial risk. As of December 31, 2018, the District Attorney was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

4. Receivables

Accounts receivable as of December 31, 2018, consists of the following:

Class of Receivables	General Fund	Special Revenue Funds	Total
Grants	\$ 75,928	\$ 149,027	\$ 224,955
Intergovernmental	213,288	-	213,288
Uncollectible Allowance	-	-	-
Total	<u>\$ 289,216</u>	<u>\$ 149,027</u>	<u>\$ 438,243</u>

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

5. Capital Assets

Capital asset activity for the year ended December 31, 2018, is as follows:

	Balance 12/31/17	Increases	Decreases	Balance 12/31/18
Capital Assets:				
Equipment	\$ 544,388	\$ -	\$ -	\$ 544,388
Vehicles	163,160	18,041	(37,745)	143,456
Total Capital Assets	707,548	18,041	(37,745)	687,844
Less: Accumulated Depreciation	(620,534)	(5,512)	37,745	(588,301)
Capital Assets, Net	<u>\$ 87,014</u>	<u>\$ 12,529</u>	<u>\$ -</u>	<u>\$ 99,543</u>

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method of estimated useful lives as follows:

Equipment	5 Years
Vehicles	5 Years

6. Employee Pension Plans

A. District Attorney's Retirement System

General Information about the Pension Plan

Plan Description – Employees of the District Attorney are eligible for participation in the District Attorney's Retirement System of Louisiana (the "DA System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by state statute. The DA System issues a publicly available financial report that can be obtained at www.ladars.org. The report may also be obtained by writing to the District Attorney's Retirement System of Louisiana, 1645 Nicholson, Drive, Baton Rouge, Louisiana 70802.

Benefits Provided – For members who joined the DA System before July 1, 1990, and who elected not to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 62 and have 10 years or more of service credit, are age 60 and have 18 years of service credit, are age 55 and have 23 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.0% of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if they are age 60 and has 10 years of service credit or age 55 with at least 18 years of service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

For members who joined the DA System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3.0% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The system also provides death and disability benefits. Benefits are established or amended by state statute.

Contributions – Contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the DA System's Board of Trustees. Employees are required to contribute 8.00% of their annual pay. The District Attorney's contractually required contribution rate was 0.00% for the period January 1, 2018 through June 30, 2018, and 1.25% for the period July 1, 2018 through December 31, 2018. Contributions to the DA System from the District Attorney were \$2,980 for the year ended December 31, 2018.

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

At December 31, 2018, the District Attorney reported a liability of \$215,325 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on each employee's contributions to the System during the fiscal year ended June 30, 2018, as compared to the total of all employees' contributions received by the System during the fiscal year ended June 30, 2018. At June 30, 2018, the District Attorney's proportion was 0.669146%, which was an increase of 0.033506% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the District Attorney recognized pension expense of \$70,369 at December 31, 2018. The District Attorney 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	\$ 1,156	\$ 31,281
Changes of Assumptions	130,609	14,200
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	18,030	-
Changes in Proportion and Differences Between DA Contributions and Proportionate Share of Contributions	34,501	34,383
DA Contributions Subsequent to the Measurement Date	2,890	-
	<u>\$ 187,186</u>	<u>\$ 79,864</u>

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

\$2,890 is reported as deferred outflows of resources related to pensions resulting from District Attorney contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. 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:	
December 31, 2019	\$ 42,561
December 31, 2020	19,892
December 31, 2021	6,985
December 31, 2022	10,356
December 31, 2023	24,668

Actuarial Assumptions – The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	5.50% (2.40% Inflation, 3.10% Merit)
Investment Rate of Return	6.50%, Net of Investment Expense, with inflation
Mortality Rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
Expected Remaining Service Lives	6 Years
Cost-of-Living Adjustments	Only those previously granted

The mortality rate assumption used in the June 30, 2018, valuation was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the DA System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges 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 ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.45% for the year ended June 30, 2018.

Asset Class	Long-Term Target Allocation	Rates of Return	
		Real	Nominal
Equities	61.72%	10.82%	
Fixed Income	28.95%	6.36%	
Alternatives	8.85%	10.50%	
Cash	0.48%	0.50%	
System Total	<u>100.00%</u>		6.95%
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>9.45%</u>

Discount Rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems’ Actuarial Committee (“PRSAC”) taking into consideration the recommendation of the DA System’s actuary. Based on those assumptions, the DA System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District Attorney’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District Attorney’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District Attorney’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
District Attorney's Proportionate Share of the Net Pension Liability	\$ 579,750	\$ 215,325	\$ (94,703)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued DA System financial report.

Payables to the Pension Plan – As of December 31, 2018, the District Attorney did not have any payables due to the DA System.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
Notes to Financial Statements (Continued)
December 31, 2018

B. Parochial Employees' Retirement System of Louisiana

General Information about the Pension Plan

Plan Description – Employees of the District Attorney are eligible for participation in the Parochial Employees' Retirement System of Louisiana (the "System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 205 of the 1952 regular session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.persla.org. The report may also be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

Benefits Provided – The System provides retirement, disability, and death benefits. For employees hired prior to January 1, 2007, employees who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average salary for each year of creditable service. For employees hired after January 1, 2007, employees who retire at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average salary for each year 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. Under state law, cost of living increases to benefits are allowable for up to 2.0% or 2.5%, depending on the employee's age and retirement date.

Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.35% of their annual pay. The District Attorney's contractually required contribution rate was 11.50% for the period January 1, 2018 through December 31, 2018. Contributions to the System from the District Attorney were \$141,947 for the year ended December 31, 2018.

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

At December 31, 2018, the District Attorney reported an asset of \$199,105 for its proportionate share of the net pension liability / (asset). The net pension liability / (asset) was measured as of December 31, 2017, and the total pension liability / (asset) used to calculate the net pension liability / (asset) was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability / (asset) was based on each employer's contributions to the plan during the fiscal year ended December 31, 2017, as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2017. At December 31, 2017, the District Attorney's proportion was 0.268247%, which was a, increase of 0.085858% from its proportion measured as of December 31, 2016.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

For the year ended December 31, 2018, the District Attorney recognized pension expense of \$102,060. At December 31, 2018, the District Attorney 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	\$ -	\$ 128,886
Changes of Assumptions	251,301	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	459,991
Changes in Proportion and Differences Between DA Contributions and Proportionate Share of Contributions	28,287	43,295
DA Contributions Subsequent to the Measurement Date	141,947	-
	\$ 421,535	\$ 632,172

\$141,947 is reported as deferred outflows of resources related to pensions resulting from District Attorney contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability / (asset) in the year ended December 31, 2018. 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:		
December 31, 2018	\$	39,632
December 31, 2019		(21,277)
December 31, 2020		(145,614)
December 31, 2021		(182,313)
Thereafter		-

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

Actuarial Assumptions – The total pension liability / (asset) in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)
Investment Rate of Return	6.75%, Net of Investment Expense, including inflation
Expected Remaining Service Lives	4 Years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The mortality rate assumption used in the December 31, 2017, valuation was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

The long-term expected 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 2.50% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35.00%	1.24%
Equity	52.00%	3.57%
Alternatives	11.00%	0.69%
Real Assets	2.00%	0.12%
Total	100.00%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

Discount Rate – The discount rate used to measure the total pension liability / (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems’ Actuarial Committee (“PRSAC”) taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability / (asset).

Sensitivity of the District Attorney’s Proportionate Share of the Net Pension Liability / (Asset) to Changes in the Discount Rate – The following presents the District Attorney’s proportionate share of the net pension liability / (asset) calculated using the discount rate of 6.75%, as well as what the District Attorney’s proportionate share of the net pension liability / (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
District Attorney's Proportionate Share of the Net Pension Liability / (Asset)	\$ 981,662	\$ (199,105)	\$ (1,250,501)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of December 31, 2018, the District Attorney did not have any payables due to the System.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

7. Leases

The District Attorney leases certain buildings under long-term leases. All such leases have been renewed on a month-to-month basis. All other leases are month-to-month leases on several pieces of office equipment. The District Attorney has no obligations under capital leases. Rental expense amounted to \$79,500 in 2018. Since these leases may be terminated at any time, the District Attorney has no required future annual commitments under these leases.

8. Changes in Agency Fund Balances

A summary of changes in the District Attorney's Asset Forfeiture Trust Fund unsettled deposits follows:

	<u>Cash</u>	<u>Non-Cash</u>	<u>Total</u>
Unsettled Deposits - Beginning of the Year	\$ 597,333	\$ 494,878	\$ 1,092,211
Additions	871,477	85,289	956,766
Reductions	<u>(497,907)</u>	<u>(211,520)</u>	<u>(709,427)</u>
Unsettled Deposits - End of the Year	<u>\$ 970,903</u>	<u>\$ 368,647</u>	<u>\$ 1,339,550</u>

9. Non-Cash Seized Assets

The District Attorney is deemed to be in custody of property seized in accordance with LRS 40:2601 to 40:2622. The seized assets are listed on the balance sheet under agency fund, as either cash or non-cash seized assets. The non-cash seized assets represent property other than cash seized under the authority of the above-mentioned statutes. The non-cash assets are held in the custody of and by the seizing agency. At the completion of the forfeiture proceedings, the seizing agency may sell the non-cash property and remit the cash proceeds to the District Attorney for distribution according to statutes.

10. Expenditures of the District Attorney not Included in the Accompanying Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the parish governments or directly by the State. A portion of the salaries of the District Attorney and Assistant District Attorneys are paid directly by the State. The parish governments pay certain salaries, or portions thereof, and employer contributions of the District Attorney and his staff.

11. Jointly Governed Organization – Criminal Court Fund of the Twenty-First Judicial District

The Criminal Court Fund of the Twenty-First Judicial District was established to consolidate the Criminal Court Funds previously under the jurisdiction of each of the three parishes in the Twenty-First Judicial District. The Criminal Court Fund's primary source of revenue is from fines and forfeitures collected in the District. These funds are used to pay the general expenditures of the Twenty-First Judicial District Court system in addition to reimbursing the expenditures of the District Attorney of the Twenty-First Judicial District and the Judicial Expense Fund of the Twenty-First Judicial District.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

The Criminal Court Fund of the Twenty-First Judicial District paid expenditures in the amount of \$555,811 on behalf of the District Attorney during the year ended December 31, 2018, and owes the District Attorney \$105,711 as of December 31, 2018.

12. Federal Financial Assistance Programs

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2018, the District Attorney expended \$915,455 in reimbursement payments.

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include a budget of expected expenditures for each fiscal grant year ended June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

There are no restrictions on how incentive payments may be expended, except as may be required by state law for any other funds of the District Attorney.

The District Attorney also participates in various United States Office of Justice programs administered by the Louisiana Commission on Law Enforcement and Administration of Criminal Justice. The programs are funded by indirect assistance payments in the form of reimbursements of certain expenditures.

For the year ended December 31, 2018, the District Attorney expended these amounts for the various programs:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Tri-Parish Victim's Assistance	16.575	\$ 283,607
Tri-Parish Domestic Violence Prosecution Unit	16.588	42,820
		<u>\$ 326,427</u>

The reimbursement and incentive payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of such a review or audit.

13. Litigation and Claims

There is no litigation pending against the District Attorney at December 31, 2018.

14. Commitments and Contingencies

Act 20 of the 2011 Regular Session of the Louisiana Legislature authorized Livingston Parish to collect additional court filing fees needed to pay the revenue bond debt identified in the Loan Agreement by and between the Louisiana Local Governmental Environment Facilities and Community Development Authority and Parish of Livingston relating to \$17,865,000 Revenue Bond Series 2011 (Livingston Parish Courthouse

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Notes to Financial Statements (Continued)

December 31, 2018

Project) dated September 1, 2011. Anticipating a shortage of revenue generated by the collection of the additional filing costs to debt service the bonds, on February 28, 2012, the Livingston Parish Council, the Twenty-First Judicial District Court, the District Attorney of the Twenty-First Judicial District, the Sheriff for the Parish of Livingston and the Clerk of Court for the Parish of Livingston executed a Cooperative Endeavor Agreement whereby each party has agreed that they will contribute proportionally based on “private quarters” square footage used such funds as may be necessary to pay the bond indebtedness as it comes due, in the event of a shortfall, to avoid default on the bond obligations. The agreement shall remain in effect until the bond indebtedness is paid in accordance with the “bond documents.” In the event that the monthly filing fees authorized by Act 20 decrease below the monthly debt service amount required to pay the bonds, the District Attorney will be required to fund their proportionate share of the shortfall, and this amount could be material to the financial statements. Since the inception of the debt, the fees generated under the statute have been sufficient to service the monthly outstanding obligations under the bonds.

For the year ended December 31, 2018, monthly filing fees were adequate to pay the monthly debt service requirements. As a result, the District Attorney was not required to fund any shortfall of the revenue bonds.

15. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information:
Budgetary Comparison Schedules

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Schedule 1

**Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for Services:				
Fines & Forfeitures	\$ 823,090	\$ 743,000	\$ 741,700	\$ (1,300)
Court Cost Fees	256,600	250,000	252,290	2,290
Worthless Check Fees	9,510	12,700	12,812	112
Criminal Bond Fees	45,830	46,200	46,259	59
Bail Bond License Fees	210,000	204,000	204,705	705
Intergovernmental Grants:				
Federal	339,284	326,500	326,427	(73)
State	-	-	-	-
Parish	560,800	560,800	560,800	-
Victim's Assistance Coordinator	90,000	90,000	90,000	-
Interest Earnings	500	800	815	15
Other Revenues	90,891	200,000	211,832	11,832
Total Revenues	2,426,505	2,434,000	2,447,640	13,640
Expenditures:				
Salaries / Related Benefits	1,547,500	1,625,000	1,625,016	(16)
Automobile	-	-	44,780	(44,780)
Contract Services	14,000	20,000	20,205	(205)
Dues & Subscriptions	44,000	42,550	42,568	(18)
Lease Costs	37,425	39,300	39,300	-
Office Supplies	122,580	93,000	94,819	(1,819)
Other Expenditures	63,309	63,000	17,877	45,123
Telephone & Utilities	67,700	69,000	68,061	939
Training	40,500	33,000	32,859	141
Travel	42,000	33,000	31,664	1,336
Capital Outlay	38,500	18,041	18,041	-
Total Expenditures	2,017,514	2,035,891	2,035,190	701
Excess (Deficiency) of Revenues Over Expenditures	\$ 408,991	\$ 398,109	\$ 412,450	\$ 14,341
Other Financing Sources:				
Operating Transfers In	\$ -	\$ (15,000)	\$ (15,000)	\$ -
Total Other Financing Sources	-	(15,000)	(15,000)	-
Net Change in Fund Balances	408,991	383,109	397,450	14,341
Fund Balance - Beginning of the Year	889,317	1,033,419	1,033,419	-
Fund Balance - End of the Year	\$ 1,298,308	\$ 1,416,528	\$ 1,430,869	\$ 14,341

See auditor's report.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Schedule 2

**Budgetary Comparison Schedule – Title IV-D Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental Grants:				
Federal	\$ 994,027	\$ 915,754	\$ 915,455	\$ (299)
Other Revenues	14,000	9,938	9,940	2
Total Revenues	1,008,027	925,692	925,395	(297)
Expenditures:				
Salaries / Related Benefits	861,621	819,692	819,608	84
Automobile	4,020	2,368	546	1,822
Contract Services	5,000	5,950	5,950	-
Lease Costs	43,400	42,064	42,064	-
Office Supplies	16,000	11,130	11,130	-
Other Expenditures	40,200	31,124	32,209	(1,085)
Telephone & Utilities	22,786	27,995	27,882	113
Travel	-	-	-	-
Capital Outlay	15,000	-	-	-
Total Expenditures	1,008,027	940,323	939,389	934
Excess (Deficiency) of Revenues Over Expenditures	-	(14,631)	(13,994)	637
Other Financing Sources:				
Operating Transfers In	-	15,000	15,000	-
Total Other Financing Sources	-	15,000	15,000	-
Net Change in Fund Balance	-	369	1,006	637
Final Budget:				
Beginning of the Year	88,073	90,303	90,303	-
End of the Year	\$ 88,073	\$ 90,672	\$ 91,309	\$ 637

See auditor's report.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Schedule 3

**Budgetary Comparison Schedule – Incentive Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for Services	\$ -	\$ -	\$ 34,155	\$ 34,155
Intergovernmental Parish Grants	76,400	76,400	76,400	-
Interest Earnings	-	-	88	88
Other Revenues	34,095	33,413	-	(33,413)
Total Revenues	110,495	109,813	110,643	830
Expenditures:				
Salaries / Related Benefits	61,533	61,555	61,536	19
Contract Services	4,000	3,860	3,920	(60)
Office Supplies	700	473	724	(251)
Other Expenditures	564	387	530	(143)
Telephone & Utilities	17,810	17,071	17,731	(660)
Training	1,400	1,269	-	1,269
Travel	15,000	13,940	16,567	(2,627)
Capital Outlay	-	-	-	-
Total Expenditures	101,007	98,555	101,008	(2,453)
Excess / (Deficiency) of Revenues Over Expenditures	9,488	11,258	9,635	(1,623)
Other Financing Uses:				
Operating Transfers Out	-	-	-	-
Total Other Financing Uses	-	-	-	-
Net Change in Fund Balance	9,488	11,258	9,635	(1,623)
Final Budget:				
Beginning of the Year	69,041	69,528	69,528	-
End of the Year	\$ 78,529	\$ 80,786	\$ 79,163	\$ (1,623)

See auditor's report.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
 Budgetary Comparison Schedule – Pre-Trial Intervention Fund
 For the Year Ended December 31, 2018

Schedule 4

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Charges for Services	\$ 255,000	\$ 260,463	\$ 264,493	\$ 4,030
Total Revenues	255,000	260,463	264,493	4,030
Expenditures:				
Salaries / Related Benefits	211,062	245,442	245,483	(41)
Dues & Subscriptions	100	100	100	-
Office Supplies	500	155	154	1
Other Expenditures	467	425	411	14
Training	6,960	6,654	6,654	-
Travel	4,500	3,917	3,911	6
Capital Outlay	-	-	-	-
Total Expenditures	223,589	256,693	256,713	(20)
Excess / (Deficiency) of Revenues Over Expenditures	31,411	3,770	7,780	4,010
Other Financing Uses:				
Operating Transfers Out	-	-	-	-
Total Other Financing Uses	-	-	-	-
Net Change in Fund Balance	31,411	3,770	7,780	4,010
Final Budget:				
Beginning of the Year	98,547	99,789	99,789	-
End of the Year	\$ 129,958	\$ 103,559	\$ 107,569	\$ 4,010

See auditor's report.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Schedule 5-A

Schedule of the District Attorney's Proportionate Share of the Net Pension Liability –
District Attorney's Retirement System of Louisiana
For the Year Ended December 31, 2018

<u>Fiscal Year*</u>	<u>DA's Proportion of the Net Pension Liability</u>	<u>DA's Proportionate Share of the Net Pension Liability</u>	<u>DA's Covered Employee Payroll</u>	<u>DA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2018	0.669146%	\$ 215,325	\$ 442,777	48.63%	92.92%
2017	0.635640%	\$ 171,446	\$ 435,682	39.35%	93.57%
2016	0.371342%	\$ 71,078	\$ 372,183	19.10%	95.09%
2015	0.637623%	\$ 34,346	\$ 373,921	9.19%	98.56%
2014	0.704881%	\$ 14,057	\$ 371,016	3.79%	99.45%

* The amounts presented for each fiscal year were determined as of June 30 of the current year

See auditor's report.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**

Schedule 5-B

Schedule of the District Attorney's Proportionate Share of the Net Pension Liability –
Parochial Employees Retirement System of Louisiana
For the Year Ended December 31, 2018

Fiscal Year*	DA's Proportion of the Net Pension Liability / (Asset)	DA's Proportionate Share of the Net Pension Liability / (Asset)	DA's Covered Employee Payroll	DA's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.268247%	\$ (199,105)	\$ 1,234,320	-16.13%	101.98%
2017	0.182389%	\$ 375,633	\$ 1,194,232	31.45%	94.15%
2016	0.192592%	\$ 506,958	\$ 1,081,667	46.87%	92.23%
2015	0.205472%	\$ 56,178	\$ 1,148,122	4.89%	99.15%
2014	0.227035%	\$ 16,134	\$ 1,227,940	1.31%	99.77%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year

See auditor's report.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**
Schedule of District Attorney Contributions –
District Attorney’s Retirement System of Louisiana
For the Year Ended December 31, 2018

Schedule 6-A

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	DA's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	\$ -	\$ -	\$ -	\$ 442,777	0.00%
2017	\$ -	\$ -	\$ -	\$ 435,682	0.00%
2016	\$ 13,064	\$ 13,064	\$ -	\$ 372,183	3.51%
2015	\$ 26,175	\$ 26,175	\$ -	\$ 373,921	7.00%
2014	\$ 36,174	\$ 36,174	\$ -	\$ 371,016	9.75%

* The amounts presented for each fiscal year were determined as of June 30 of the current year

See auditor’s report.

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**
Schedule of District Attorney Contributions –
Parochial Employees Retirement System of Louisiana
For the Year Ended December 31, 2018

Schedule 6-B

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	DA's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2018	\$ 206,388	\$ 206,388	\$ -	\$ 1,234,320	16.72%
2017	\$ 149,280	\$ 149,280	\$ -	\$ 1,194,232	12.50%
2016	\$ 140,617	\$ 140,617	\$ -	\$ 1,081,667	13.00%
2015	\$ 188,054	\$ 188,054	\$ -	\$ 1,148,122	16.38%
2014	\$ 205,680	\$ 205,680	\$ -	\$ 1,227,940	16.75%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year

See auditor's report.

Other Supplemental Information

**District Attorney of the Twenty-First Judicial District
Amite, Louisiana**
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Schedule 7

Federal Grantor/ Pass-Through Grantor / Program Title	Federal CFDA Number	Federal Award Number	Pass-Through Grantor's Number	Disbursements / Expenditures
Department of Children and Family Services				
<i>Pass-Through State Department of Social Services:</i>				
Child Support Enforcement Program (Title IV-D)	93.563		G-95-04 LA 4004	\$ 915,455
 Department of Justice				
<i>Pass-Through Louisiana Commission on Law Enforcement:</i>				
Tri-Parish Victim's Assistance Program	16.575	2016-VA-GX-0074		283,607
Tri-Parish Domestic Violence Prosecution	16.588	2017-WF-AX-0046		42,820
				326,427
Total Department of Justice				
 Total Federal Funds				\$ 1,241,882

Note 1 - Basis of Presentation

This schedule of expenditures of federal awards includes federal grant activity of the District Attorney of the Twenty-First Judicial District Court, Amite, Louisiana, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

See auditor's report.

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended December 31, 2018

Schedule 8

Agency Head: Honorable Scott M. Perrilloux, District Attorney

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 170,620
Benefits - Health Insurance	15,711
Benefits - Other Insurance	876
Benefits - Retirement	1,066
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	4,376
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	838
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 193,487</u>

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Megan E. Lynch, CPA
Christie J. Barado
B. Jacob Steib
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com

AICPA®
Member of
American Institute of CPAs
Society of Louisiana CPAs

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

The Honorable Scott M. Perrilloux
District Attorney of the
Twenty-First Judicial District
Amite, 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, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-First Judicial District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-First Judicial District's basic financial statements, and have issued our report thereon dated June 27, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District Attorney of the Twenty-First Judicial District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Twenty-First Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-First Judicial District'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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

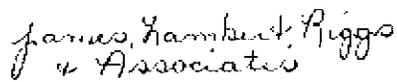
As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-First Judicial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

District Attorney of the Twenty-First Judicial District
Amite, Louisiana

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 27, 2019

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Megan E. Lynch, CPA
Christie J. Barado
B. Jacob Steib
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com


Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance

The Honorable Scott M. Perrilloux
District Attorney of the
Twenty-First Judicial District
Amite, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Twenty-First Judicial District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney of the Twenty-First Judicial District's major federal programs for the year ended December 31, 2018. The District Attorney of the Twenty-First Judicial District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District Attorney of the Twenty-First Judicial District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney of the Twenty-First Judicial District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District Attorney of the Twenty-First Judicial District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District Attorney of the Twenty-First Judicial District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

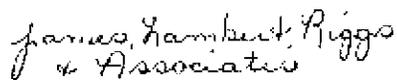
Report on Internal Control over Compliance

Management of the District Attorney of the Twenty-First Judicial District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney of the Twenty-First Judicial District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-First Judicial District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 27, 2019

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2018

We have audited the basic financial statements of the District Attorney of the Twenty-First Judicial District as of and for the year ended December 31, 2018, and have issued our report thereon dated June 27, 2019. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance. Our audit of the basic financial statements as of December 31, 2018, resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Type of Opinion Issued	<u> X </u>	Unmodified	<u> </u>	Modified
	<u> </u>	Disclaimer	<u> </u>	Adverse
Internal Control:				
Material Weakness	<u> </u>	Yes	<u> X </u>	No
Significant Deficiencies	<u> </u>	Yes	<u> X </u>	No
Compliance:				
Compliance Material to the Financial Statements	<u> </u>	Yes	<u> X </u>	No

2. Federal Awards

Internal Control:				
Material Weakness	<u> </u>	Yes	<u> X </u>	No
Significant Deficiencies	<u> </u>	Yes	<u> X </u>	No
Type of Opinion on Compliance for Major Programs	<u> X </u>	Unmodified	<u> </u>	Modified
	<u> </u>	Disclaimer	<u> </u>	Adverse
Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?				
	<u> </u>	Yes	<u> X </u>	No
Was a management letter issued?				
	<u> </u>	Yes	<u> X </u>	No

3. Identification of Major Programs:

CFDA Number(s)
93.563

Name of Federal Program (or Cluster)
Child Support Enforcement Program (Title IV-D)

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance?
 Yes X No

District Attorney of the Twenty-First Judicial District
Amite, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section II Financial Statement Findings

No matters were reported.

Section III Federal Award Findings and Questioned Costs

No matters were reported.

District Attorney of the Twenty-First Judicial District

Amite, Louisiana

Schedule of Prior Year Audit Findings

For the Year Ended December 31, 2018

Ref. #	Fiscal Year Findings Initially Occurred	Description of Findings	Corrective Action Taken
--------	--	----------------------------	----------------------------

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule prepared by District Attorney of the Twenty-First Judicial District.

**DISTRICT ATTORNEY OF THE
TWENTY-FIRST JUDICIAL DISTRICT COURT**

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Megan E. Lynch, CPA
Christie J. Barado
B. Jacob Steib
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
www.jlrcpafirm.com



Member of
American Institute of CPAs
Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Scott M. Perrilloux, District Attorney
Twenty-First Judicial District Court
Amite, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Twenty-First Judicial District Court and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) of the District Attorney of the Twenty-First Judicial District Court for the period January 1, 2018 through December 31, 2018. The District Attorney's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the District Attorney of the Twenty-First Judicial District Court and the Louisiana Legislative Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are detailed in Schedule "A".

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance 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.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of the District Attorney of the Twenty-First Judicial District Court and the Louisiana Legislative Auditor and is not intended for and should not be used by anyone other than those specified parties. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*James Lambert Riggs
& Associates*

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 27, 2019

Bank Reconciliations

1. Obtain a listing of client 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 selected each 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, electronically logged);

Results: No exceptions were noted for the above listed procedures.

- 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

Results: No exceptions were noted for the above listed procedures.

- c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted for the above listed procedures.

Collections

2. 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).

Results: Management provided us with the required listing of cash collection locations as well as management's representation that the listing is complete.

3. 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 that are responsible for cash collections do not share cash drawers / registers

Results: No physical cash / currency is collected by the entity, only checks and money orders are collected.

- 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.

Results: One of the three employees responsible for collecting cash is responsible for preparing / making the bank deposits and responsible for reconciling collection documentation.

- 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.

Results: One of the three employees responsible for collecting cash is responsible for posting collection entries to the general ledger and 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 verifies the reconciliation.

Results: The employee responsible for reconciling cash collections to the general ledger is responsible is able to collect checks / money orders.

4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: No exceptions were noted for the above listed procedures.

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #1 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

Results: No exceptions were noted for the above listed procedures.

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were noted for the above listed procedures.

- c. Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were noted for the above listed procedures.

- d. Observe that 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).

Results: No exceptions were noted for the above listed procedures.

- e. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted for the above listed procedures.

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

6. 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).

Results: Management provided us with the required listing of disbursements as well as management's representation that the listing is complete.

7. For each location selected under #6 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.

Results: No exceptions were noted for the above listed procedures.

- b. At least two employees are involved in processing and approving payments to vendors.

Results: No exceptions were noted for the above listed procedures.

- 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.

Results: The employee responsible for processing payments and is able to add / modify vendors to the District Attorney's purchasing / disbursement system.

- 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.

Results: The employee responsible for processing payments is also responsible for signing checks. However all checks are reviewed by the District Attorney and require dual signatures.

8. For each location selected under #6 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 that the disbursement matched the related original invoice/billing statement.

Results: No exceptions were noted for the above listed procedures.

- b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #7, as applicable.

Results: Disbursements contained no documented review by management, but procedures are that District Attorney reviews the invoices as he is signing the checks.

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

9. 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.

Results: Management provided us with the required listing of credit cards and fuel cards as well as management's representation that the listing is complete.

10. 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 that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Results: For the three (3) credit cards selected, the statements of all cards were visually reviewed by management, but no written approval by management was obtained.

- b. Observe that finance charges and late fees were not assessed on the selected statements.

Results: For the three (3) credit cards selected, no finance charges and / or late charges were assessed.

11. Using the monthly statements or combined statements selected under #10 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 that it is supported by:

a. An original itemized receipt that identifies precisely what was purchased:

Results: For the three (3) credit cards selected, all cards had supporting itemized receipts for all transactions.

b. Written documentation of the business/public purpose:

Results: For the three (3) credit cards selected, all cards selected had supporting documentation of the business / public purpose, and all meal receipts contained documentation of the individuals participating.

c. Documentation of the individuals participating in meals (for meal charges only).

Results: All credit card receipts contained the names of the individuals participating in meals.



Scott M. Perrilloux

DISTRICT ATTORNEY

21st Judicial District

Livingston, St. Helena and Tangipahoa Parishes



June 28, 2019

Mr. Paul M. Riggs, Jr., CPA
Audit Director
James, Lambert, Riggs and Associates, Inc.
401 East Thomas Street
Hammond, LA 70401

RE: AUP Report Responses

Dear Mr. Riggs:

In regard to our audit for the period ended December 31, 2018 and the resulting issues discussed at our exit conference related to our Agreed-Upon Procedures (AUP) Report, I submit the following responses:

COLLECTIONS:

Items 3b-3d: Response addressing collecting cash, preparing / making bank deposits, reconciling collections, and posting to the general ledger:

As previously stated, while we certainly recognize the issues that may be caused by such active involvement by only three employees in the collection, reconciling, depositing and recording functions, currently, it would not be feasible to increase our staff solely for this purpose. We have made a few changes, however, to separate these duties to the extent possible. Our extremely limited available office space continues to be a chronic issue which is largely the reason we have not increased our accounting staff. In our opinion, creating new accounting positions staff is clearly the only permanent solution to this issue. We will continue to discuss this matter and make any other changes available to us to improve the quality of these accounting functions.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES / PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES:

Items 7c: Response addressing the issue of the employee responsible for processing payments is also able to add / modify vendors to the District Attorney's purchasing / disbursement system:

In order to improve the overall internal control in the area of disbursements, effective immediately an additional accounting procedure will be adopted. On a quarterly basis, a vendor list will be generated from the accounting software and presented to the District Attorney for his review, approval and signature as evidence that he has authorized all vendors receiving disbursements from this agency.

Mr. Paul M. Riggs, Jr., CPA
Audit Director
Page 2

Items 7d: Response addressing the issue that the employee responsible for processing payments is also responsible for signing checks:

While initiation of all purchases, with the exception of equipment acquisitions, is solely the responsibility of the accounting assistant and not my specific duty as the Financial Administrator/CFO, I am certainly responsible for recording these transactions as well as an active check signer for payment of these purchases. With such limited accounting staff, it becomes very difficult to achieve adequate separation of these specific accounting duties. As previously stated, Mr. Perrilloux and I continue to discuss the hiring of additional accounting staff for our office which would clearly improve the separation of these accounting procedures.

Items 8b: Response addressing the issue that disbursements contained no documented review by management:

In an attempt to improve controls over disbursements, we have adopted a new policy related to disbursements during the current year. In addition to his review of all invoices when he signs each and every check, each month Mr. Perrilloux is provided the bank reconciliation packet for all bank accounts which includes the actual reconciliation of cash, a copy of the complete bank statement and a copy of the entire check register for the month. After his detailed review, he acknowledges by signature that he has authorized and approved all disbursements.

Items 10a: Response addressing the issue that statements of all credit cards are reviewed, but no written approval by management was obtained:

In accordance with the above policy adopted related to disbursements, we have also adopted a new policy related to credit card transactions. Currently, prior to monthly payments of credit card charges, Mr. Perrilloux is provided each card statement along with the supporting documentation to the charges prior to payment of the monthly card statement amount. After his detailed review, he acknowledges by signature that he has authorized and approved payment of all credit card charges.

I sincerely hope that you find these responses and subsequent revisions adequate. However, should you care to discuss them with me further, please do not hesitate to contact me at your convenience.

Yours truly,



Donna B. McArthur

Financial Administrator

21st Judicial District Attorney's Office