

**DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT**
Parishes of East Carroll, Madison and Tensas, Louisiana

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2019
With Supplemental Information Schedules**

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2019
With Supplemental Information Schedules

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DISTRICT ATTORNEY OF THE
 SIXTH JUDICIAL DISTRICT
 Parishes of East Carroll, Madison and Tensas, Louisiana
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Independent Auditor's Report

HONORABLE JAMES PAXTON
DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major funds and the fiduciary fund of the Sixth Judicial District Attorney, a component unit of the East Carroll, Madison and Tensas Parish Police Juries, as of December 31, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Sixth Judicial District Attorney'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Sixth Judicial District Attorney'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 Sixth Judicial District Attorney's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

SIXTH JUDICIAL DISTRICT ATTORNEY

Parishes of East Carroll, Madison,
and Tensas, Louisiana
Independent Auditor's Report,
December 31, 2019

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and major fund information of the Sixth Judicial District Attorney as of December 31, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions as listed in the table of contents, 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. I 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 managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sixth Judicial District Attorney's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 42 is presented for the purpose of additional analysis and is not a required part of the financial statements.

This schedule is the responsibility of management and was derived from and relates 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 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 my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

SIXTH JUDICIAL DISTRICT ATTORNEY

Parishes of East Carroll, Madison,
and Tensas, Louisiana
Independent Auditor's Report,
December 31, 2019

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated September 25, 2020, on my consideration of the Sixth Judicial District Attorney's internal control over financial reporting and on my 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 my 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 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 Sixth Judicial District Attorney's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated September 25, 2020, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
September 25, 2020

REQUIRED SUPPLEMENTARY INFORMATION
PART I

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Management's Discussion and Analysis
December 31, 2019

As management of the District Attorney of the Sixth Judicial District, I offer readers of the District Attorney of the Sixth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District Attorney of the Sixth Judicial District for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the district attorney's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district attorney's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District Attorney of the Sixth Judicial District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District Attorney of the Sixth Judicial District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney of the Sixth Judicial District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney of the Sixth Judicial District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Attorney of the Sixth Judicial District can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District Attorney of the Sixth Judicial District adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the District Attorney of the Sixth Judicial District's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District Attorney of the Sixth Judicial District's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the District Attorney of the Sixth Judicial District exceeded liabilities by \$1,004,714. Approximately 6% of the District Attorney of the Sixth Judicial District's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

An additional portion of the District Attorney of the Sixth Judicial District's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the District Attorney of the Sixth Judicial District to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION
Governmental Funds

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$1,116,675	\$1,172,153
Due from employees	10,465	
Receivables	125,469	117,983
Capital assets (net of accumulated depreciation)	58,455	61,974
TOTAL ASSETS	<u>1,311,064</u>	<u>1,352,110</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>\$167,994</u>	<u>\$171,811</u>
LIABILITIES		
Accounts payable	\$124,467	\$75,217
Payroll withholdings payable	32,781	16,625
Net pension liability	232,512	214,349
TOTAL LIABILITIES	<u>389,760</u>	<u>306,191</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	84,584	47,613
NET POSITION		
Invested in capital assets, net of related debt	58,455	61,974
Unrestricted	<u>946,259</u>	<u>1,108,143</u>
TOTAL NET POSITION	<u>\$1,004,714</u>	<u>\$1,170,117</u>

STATEMENT OF ACTIVITIES

	<u>2019</u>	<u>2018</u>
Judicial:		
Personal services	\$1,521,002	\$1,406,796
Operating services	1,219,311	1,220,549
Materials and supplies	106,000	103,350
Travel	45,380	62,741
Depreciation expense	21,718	20,939
Total Program Expenses	<u>2,913,411</u>	<u>2,814,375</u>
Program revenues:		
Commissions on fines & forfeitures	1,851,602	2,049,257
Use of money - interest	18,259	12,241
Federal grants	281,893	282,744
State grants	376,654	408,154
Local grants	4,500	4,500
Total program revenues	<u>2,532,908</u>	<u>2,756,896</u>
Net Program Expenses	<u>(380,503)</u>	<u>(57,479)</u>
General revenues-		
Other revenues	215,101	211,840
Special item - gain (loss) on disposal of assets		<u>7,777</u>
Change in Net Position	<u>(165,402)</u>	<u>162,138</u>
Net Position - Beginning of year as restated	<u>1,170,116</u>	<u>1,007,979</u>
Net Position - End of year	<u>\$1,004,714</u>	<u>\$1,170,117</u>

Financial Analysis of the Government's Funds

As noted earlier, the District Attorney of the Sixth Judicial District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, combined governmental fund balance of \$1,095,361 showed a decrease of \$102,933 over December 31, 2018. The General Fund's portion of the unassigned fund balance of \$999,589 shows a decrease (of approximately \$103,569) from the prior year amount.

General Fund Budgetary Highlights

The primary difference between expenditures of the original budget and the final budget were due to an increase in estimated personal services and capital outlay and decreases in operating services and travel and other charges. The primary difference between revenues of the original budget and the final budget were due to a decrease in charges for fines and forfeitures and other revenues.

Capital Asset and Debt Administration

Capital assets. The District Attorney of the Sixth Judicial District's investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$58,455 (net of accumulated depreciation). This investment includes furniture and equipment. There were increase of \$18,199 in capital assets for the year. There were deletions of \$15,294 for the year.

Long-term debt. The District Attorney of the Sixth Judicial District has debt outstanding of \$232,512 at the end of the year, which consists of net pension liability.

Requests for Information

This financial report is designed to provide a general overview of the District Attorney of the Sixth Judicial District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Sixth Judicial District, P.O. Box 1389, Tallulah, LA 71284.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Governmental Activities
Statement of Net Position
December 31, 2019

Assets	
Cash and cash equivalents	\$1,116,675
Due from employee	10,465
Receivables	125,469
Capital assets (net)	<u>58,455</u>
Total Assets	<u>1,311,064</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>\$167,994</u>
Liabilities	
Accounts payable	\$124,467
Payroll withholding payable	32,781
Net pension liability	<u>232,512</u>
Total Liabilities	<u>389,760</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	84,584
Net Position	
Invested in capital assets, net of related debt	58,455
Unrestricted	<u>946,259</u>
Total Net Position	<u>\$1,004,714</u>

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2019

EXPENSES

Judicial:

Personal services	\$1,521,002
Operating services	1,219,311
Materials and supplies	106,000
Travel	45,380
Depreciation expense	21,718
Total Program Expenses	2,913,411

REVENUES

Program revenues:

Commissions on fines and forfeitures	1,851,602
Use of money - interest	18,259
Federal grants	281,893
State grants	376,654
Local funds	4,500
Total program revenues	2,532,908
Net Program Expenses	(380,503)

General revenues:

Other revenues	215,101
Change in Net Position	(165,402)
Net Position - Beginning of year as restated	1,170,116
Net Position - End of year	\$1,004,714

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana
GOVERNMENTAL FUNDS

Combined Balance Sheet, December 31, 2019

	...MAJOR FUNDS...		TOTAL
	GENERAL FUND	IV-D SPECIAL REVENUE FUND	
ASSETS			
Cash	\$1,051,428	\$65,247	\$1,116,675
Due from employee	10,465		10,465
Receivables	79,804	45,665	125,469
TOTAL ASSETS	<u>\$1,141,697</u>	<u>\$110,912</u>	<u>\$1,252,609</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$118,690	\$5,777	\$124,467
Payroll deductions payable	23,418	9,363	32,781
Total Liabilities	<u>142,108</u>	<u>15,140</u>	<u>157,248</u>
Fund Equity - fund balance:			
Restricted - other general government		95,772	95,772
Unassigned	999,589		999,589
Total Fund Equity	<u>999,589</u>	<u>95,772</u>	<u>1,095,361</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,141,697</u>	<u>\$110,912</u>	<u>\$1,252,609</u>

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison,
and Tensas, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2019

Total Fund Balances at December 31, 2019 - Governmental Funds (Statement C)		<u>\$1,095,361</u>
Deferred outflows of resources		167,994
Cost of capital assets at December 31, 2019	\$221,650	
Less: Accumulated depreciation as of December 31, 2019	<u>(163,195)</u>	58,455
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(232,512)
Deferred inflows of resources		<u>(84,584)</u>
Net Position at December 31, 2019 (Statement A)		<u>\$1,004,714</u>

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2019

	...Major Funds....		
	General	IV-D	Total
REVENUES			
Intergovernmental revenues:			
Federal grants		\$281,893	\$281,893
State grants	\$376,654		376,654
Local funds	4,500		4,500
Commissions on fines & forfeitures	1,851,602		1,851,602
Use of money - interest	17,032	1,227	18,259
Other revenues	147,234		147,234
Total revenues	<u>2,397,022</u>	<u>283,120</u>	<u>2,680,142</u>
EXPENDITURES			
Current:			
Judicial:			
Personal services and related benefits	1,154,704	239,481	1,394,185
Operating services	1,195,145	24,166	1,219,311
Materials and supplies	92,472	13,528	106,000
Travel and other charges	40,071	5,309	45,380
Capital outlay	18,199		18,199
Total expenditures	<u>2,500,591</u>	<u>282,484</u>	<u>2,783,075</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(103,569)</u>	<u>636</u>	<u>(102,933)</u>
FUND BALANCES - BEGINNING	<u>1,103,158</u>	<u>95,136</u>	<u>1,198,294</u>
FUND BALANCES - ENDING	<u>\$999,589</u>	<u>\$95,772</u>	<u>\$1,095,361</u>

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison,
and Tensas, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2019

Total net change in fund balances - governmental funds (Statement D)	(\$102,933)
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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(3,519)
Non-employer contributions to cost-sharing pension plan	67,867
Pension expense	<u>(126,817)</u>
Change in net position of governmental activities (Statement B)	<u>(\$165,402)</u>

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Statement of Fiduciary Net Assets - Agency Fund

December 31, 2019

	<u>SPECIAL ASSET FORFEITURE</u>
ASSETS	
Cash and cash equivalents	<u>\$9,279</u>
LIABILITIES	
Deposits due others	<u>\$9,279</u>

See independent auditor's report and the related notes to the financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the district attorney 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 the 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 judicial district for a term of six years. The judicial district encompasses the Parishes of East Carroll, Madison and Tensas, Louisiana.

The accompanying financial statements of the District Attorney of the Sixth Judicial District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the district attorney to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the district attorney.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

2. Organizations for which the district attorney does not appoint a voting majority but are fiscally dependent on the district attorney.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the district attorney's office is located and provides partial funding for equipment, furniture and supplies of the district attorney's office, the district attorney was determined to be a component unit of the Madison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Madison Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The district attorney's basic financial statements include both government-wide (reporting the district attorney as a whole) and fund financial statements (reporting the district attorney's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district attorney are classified as governmental.

The district attorney reports the following major governmental funds:

The General Fund is the district attorney's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Title IV-D Fund consists of incentive payments and 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
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district attorney.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district attorney first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district attorney's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district attorney's general revenues.

Allocation of Indirect Expenses - The district attorney reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district attorney. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district attorney's current operations require the use of only governmental funds. The governmental fund types used by the district attorney is described as follows:

Governmental Fund Type

**General Fund (District
Attorneys' Expense)**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal and state grants and fees for services. Those revenues are legally restricted, either by grant agreement or state law, to expenditures for specified purposes such as family and child support programs, and specified expenses of the district attorney's office.

Fiduciary Fund Type - Agency Fund

The Special Asset Forfeiture Agency Fund accounts for all transactions involving money seized during controlled substance cases, sale of property seized during controlled substance cases and later declared forfeited by the courts, and the distribution of the above funds in accordance with Louisiana Revised Statute 40:2616. The fund was created by the Seizure and Controlled Dangerous Substance Property Forfeiture Act of 1989 and became effective January 1, 1990.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collector.

Fees from the collection of worthless checks are recorded in the year they are collected. Grants are recorded when the district attorney is entitled to the funds. Interest income on time deposits is recorded when the time deposits have matured and the interest is available. Substantially all other revenues are recorded when received.

Based on the above criteria, commissions on fines and bond forfeitures, and grants have been treated as susceptible to accrual.

Expenditures

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

E. CAPITAL ASSETS

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

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the district attorney, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Estimated Lives</u>
	Furniture and fixtures	5 - 10 years
	Vehicles	5 - 15 years
	Equipment	5 - 20 years

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

F. VACATION AND SICK LEAVE

Employees of the district attorney's office receive from 5 to 20 days of non-cumulative vacation leave each year, depending on their length of service. Each employee is allowed 10 days of sick leave each calendar year. There is a limit of 90 days of sick leave that an employee can accumulate. However, at retirement or termination, the employee forfeits all unused sick leave.

G. RISK MANAGEMENT

The district attorney is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district attorney maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2019.

H. CASH AND CASH EQUIVALENTS

Under state law, the district attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the district attorney has cash and cash equivalents (book balances) totaling \$1,125,954.

Demand deposits	\$621,708
Time deposits	<u>504,246</u>
Total	<u>\$1,125,954</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the judicial expense that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the district attorney's name. The district attorney does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at December 31, 2019, are secured as follows:

Bank balances	<u>\$1,144,217</u>
Federal deposit insurance	\$753,477
Pledged securities (uncollateralized)	<u>771,050</u>
Total	<u>\$1,524,527</u>

I. PENSION PLANS

The District Attorney's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

J. EQUITY CLASSIFICATIONS

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the district attorney's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the district attorney's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$997,724. If applicable, the district attorney would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

L. ESTIMATES

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

2. RECEIVABLES

The following is a summary of receivables at December 31, 2019:

	General Fund	Title IV-D Special Revenue Fund	Total
Intergovernmental revenues:			
Federal-Department of Health and Human Services		\$45,665	\$45,665
Fees, charges and commissions, etc.	\$79,804		79,804
Total	<u>\$79,804</u>	<u>\$45,665</u>	<u>\$125,469</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office equipment follows:

Balance, January 1, 2019	\$218,745
Additions	18,199
Deletions	<u>(15,294)</u>
Balance at December 31, 2019	<u>221,650</u>

DISTRICT ATTORNEY OF THE
 SIXTH JUDICIAL DISTRICT
 Parishes of East Carroll, Madison and Tensas, Louisiana
 Notes to the Financial Statements (Continued)

Less accumulated depreciation	(\$163,195)
Net capital assets	<u>\$58,455</u>

4. PENSION PLAN

District Attorney’s Retirement System of Louisiana (System)

Plan Description

The District Attorney of the Sixth Judicial District contributes to the District Attorneys’ Retirement System (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956,. By Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirement, and death benefit are provided as specified in the plan.

The District Attorneys’ Retirement System prepares its employer schedules in accordance of the Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers’ proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

The District Attorneys’ Retirement System’s employer schedules are prepared using the accrual basis of accounting. Members’ earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

Any member of the Plan who was hired prior to July 1, 1990, and who have elected not to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 62 after 10 or more years of creditable service.
2. Age 60 after 18 or more years of creditable service.

DISTRICT ATTORNEY OF THE
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Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

3. Age 55 after 23 or more years of creditable service.
4. Any age after 30 or more years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of the Plan shall consist of an amount equal to three percent of the employee's final compensation for each year of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

Any member of the Plan who was hired after July 1, 1990, or who have elected to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 60 after 10 or more years of creditable service.
2. Age 55 after 24 or more years of creditable service.
3. Any age after 30 or more years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of the Plan shall consist of an amount equal to 3.5% of the employee's final compensation multiplied by years of membership service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2019, the District Attorney's total payroll for all employees was \$1,161,320. Total covered payroll was \$424,934. Covered payroll refers to all compensation paid by the District Attorney of the Sixth Judicial District to active employees covered by the Plan.

The District Attorneys' Retirement System issued a stand -alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 1.25% for January through June and 4.0% for July through December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the District Attorney to the System monthly. The District Attorney's contributions to the System for the year ending December 31, 2019 were \$10,575.

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

At December 31, 2019, the Employer reported a liability of \$232,512 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 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 a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District Attorney's proportion was 0.7228%, which was a decrease of 0.0566% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$126,813 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$3. Total pension expense for the District Attorney for the year ended December 31, 2019 was \$126,817.

At December 31, 2019, 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	\$999	\$72,571
Changes in assumptions	105,900	7,668
Net difference between projected and actual earnings on pension plan	32,608	
Changes in employer's proportion of beginning NPL	20,545	1,534
Difference between employer and proportionate share of contributions	66	2,811
Employer contributions subsequent to the measurement date	7,876	
Total	\$167,994	\$84,584

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Year ended December 31,	
2020	30,926
2021	11,466
2022	15,074
2023	28,255
2024	(10,187)
TOTAL	75,534

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry age normal costs
Actuarial Assumptions:	
Investment Rate of Return	6.50%, per annum
Salary increases	5.50% (2.4% inflation, 3.1% merit)
Mortality rates	RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Table(set back 1 year for females) RP 2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females
Expected remaining service lives	6 years
Cost of Living Adjustments	Only those previously granted

The estimated long-term rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.56% for the year ended June 30, 2019. Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Equities	48.42%	5.13%
Fixed income	40.10%	1.65%
Alternatives	10.99%	0.78%
Cash	.49%	0%
Totals	100%	
Inflation		2.49%
Expected arithmetic nominal return	7.56%	

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 contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined rates approved by 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 payment to determine the total pension liability.

Sensitivity of the District Attorney of the Sixth Judicial District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District Attorney of the Sixth Judicial District'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%)
Employer's proportionate share of net pension liability	\$633,341	\$232,512	(\$108,794)

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Plan Fiduciary Net Position

Detailed information about the System's fiduciary net position is available in the separately issued District Attorneys' Retirement System of Louisiana Audit Report at www.ladars.org.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District Attorney's office does not pay retirees group insurance upon retirement.

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in unsettled deposits due to others for the year ended December 31, 2019, follows:

Balance, January 1, 2019	\$9,279
Additions	NONE
Reductions	<u>NONE</u>
Balance, December 31, 2019	<u>\$9,279</u>

7. LITIGATION AND CLAIMS

At December 31, 2019, the district attorney is not involved in any lawsuits.

**8. EXPENDITURES OF THE DISTRICT ATTORNEY
NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures of the district attorney paid out of the funds of the criminal court, the parish police jury, or directly by the state.

Required Supplemental Information (Part II)

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental revenues:				
State grants	\$346,654	\$346,654	\$376,654	\$30,000
Local funds	4,500	4,500	4,500	
Charges for fines & forfeitures	2,182,175	2,012,964	1,851,602	(161,362)
Use of money - interest	5,600	8,772	17,032	8,260
Other revenues	15,000	13,572	147,234	133,662
Total revenues	<u>2,553,929</u>	<u>2,386,462</u>	<u>2,397,022</u>	<u>10,560</u>
Expenditures				
Current:				
Judicial:				
Personal services and related benefits	1,052,504	1,111,882	1,154,704	(42,822)
Operating services	1,202,175	1,175,008	1,195,145	(20,137)
Materials and supplies	40,600	76,500	92,472	(15,972)
Travel and other charges	49,000	22,633	40,071	(17,438)
Capital outlay	25,600	27,055	18,199	8,856
Total expenditures	<u>2,369,879</u>	<u>2,413,078</u>	<u>2,500,591</u>	<u>(87,513)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>184,050</u>	<u>(26,616)</u>	<u>(103,569)</u>	<u>(76,953)</u>
Fund Balance - Beginning	<u>NONE</u>	<u>400,000</u>	<u>1,103,158</u>	<u>703,158</u>
Fund Balance - Ending	<u>\$184,050</u>	<u>\$373,384</u>	<u>\$999,589</u>	<u>\$626,205</u>

(Continued)

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Budgetary Comparison Schedule
IV-D Fund
For the Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental revenues - Federal	\$281,893	\$281,893	
Use of money - interest		1,227	\$1,227
Total revenues	<u>281,893</u>	<u>283,120</u>	<u>1,227</u>
Expenditures			
Current:			
Judicial:			
Personal services and related benefits	239,481	239,481	
Operating services	24,166	24,166	
Materials and supplies	13,528	13,528	
Travel and other charges	5,309	5,309	
Total expenditures	<u>282,484</u>	<u>282,484</u>	<u>NONE</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(591)</u>	<u>636</u>	<u>1,227</u>
Fund Balance - Beginning	<u>95,136</u>	<u>95,136</u>	<u>NONE</u>
Fund Balance - Ending	<u>\$94,545</u>	<u>\$95,772</u>	<u>\$1,227</u>

See independent auditor's report and the related notes to the financial statements.

(Concluded)

**District Attorney for the 6th Judicial District
Parishes of East Carroll, Madison and Tensas, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2019**

The proposed budget, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district attorney and amended during the year, as necessary. The budget is established and controlled by the district attorney at the object level of expenditure. The district attorney does not utilize encumbrance accounting. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the district attorney.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts.

**District Attorney of the
Sixth Judicial District
Schedule of Employer's Share of Net Pension Liability
December 31, 2019**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.479705%	\$29,042	\$285,678	3.35%	99.45%
2015	0.539159%	\$113,290	\$322,181	9.01%	98.56%
2016	0.591879%	\$183,996	\$338,420	33.48%	95.09%
2017	0.682170%	\$214,349	\$354,224	51.94%	93.57%
2018	0.666110%	\$214,349	\$414,098	51.76%	92.92%
2019	0.722753%	\$232,512	\$424,934	54.72%	93.13%

* - Amounts presented were determined as of the measurement date (6/30/2019)

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

See independent auditor's report and the related notes to the financial statements.

**District Attorney of the
Sixth Judicial District
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$27,009	\$27,009	\$0	\$285,678	9.45%
2015	\$22,553	\$22,553	\$0	\$322,181	7.00%
2016	\$11,845	\$11,845	\$0	\$338,420	3.50%
2017	\$0	\$0	\$0	\$354,224	0.00%
2018	\$0	\$0	\$0	\$414,098	0.00%
2019	\$2,613	\$2,613	\$0	\$424,934	0.61%

* - Amounts presented were determined as of the end of the measurement date (6/30/2019).

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

See independent auditor's report and the related notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

PART III

DISTRICT ATTORNEY
OF THE SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2019

JAMES PAXTON, DISTRICT ATTORNEY

PURPOSE	AMOUNT
Salary	\$109,170
Salary-State	50,000
Salary-Police Juries	4,500
Benefits - retirement	5,156
Benefits-insurance - Police Jury	27,208
Auto Allowance	9,600
Registration fees	325
Conference mileage reimbursement	423
Per Diem	325

See independent auditor's report.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART III**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance with laws, regulations, contracts and internal control is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

**Independent Auditors Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

HONORABLE JAMES PAXTON
DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major funds and the fiduciary fund of the District Attorney of the Sixth Judicial District, a component unit of the East Carroll, Madison and Tensas Parish Police Juries as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District Attorney of the Sixth Judicial District's basic financial statements, and have issued my report thereon dated September 25, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District Attorney of the Sixth 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Sixth Judicial District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Sixth Judicial District's internal control.

A deficiency in internal control exist 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.

My 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-003, that I consider to be a significant deficiency.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
PARISHES OF EAST CARROLL, MADISON,
AND TENSAS PARISHES

Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2019

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Attorney of the Sixth Judicial District's financial statements are free from material misstatement, I 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 provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as findings 2019-001 and 2019-002 in the accompanying schedule of findings and responses.

District Attorney of the Sixth Judicial District's Response to Findings

The district attorney's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The district attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney of the Sixth Judicial District'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 District Attorney of the Sixth Judicial District's internal control and compliance. Accordingly, this communication 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.



West Monroe, Louisiana
September 25, 2020

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Schedule of Findings and Responses
For the Year Ended December 31, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of District Attorney of the Sixth Judicial District.
2. Two instances of noncompliance material to the financial statements of District Attorney of the Sixth Judicial District were disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Finding 2019-001 Possible Violation of Article VII, Section 14 of the Louisiana Constitution

Criteria: Article VII, Section 14 of the Louisiana Constitution prohibits the District Attorney from pledging, donating or loaning funds or things of value to any person, association, or corporation, public or private.

Condition: The District Attorney paid excess wages of approximately \$10,464 to an employee from the hot check fund.

Cause of Condition: The employee that handles the hot check fund mistakenly paid excess wages to herself. For a period of approximately 6 months prior to year end, no hot check merchant fees were paid. All hot check fees were paid as salary to this employee. However, no taxes or other payroll liabilities were withheld or paid on behalf of the employee.

Effect of Condition: Material noncompliance relating to the financial statements.

Recommendation: Management should monitor payroll to ensure employees are not paid excess wages.

Response: Upon discovery of the error, the employee immediately repaid the excess wages to the District Attorney's office and merchant fees were paid.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Schedule of Findings and Responses
For the Year Ended December 31, 2019

Finding 2019-002 Need to Comply with Louisiana Local Government Budget Act

Criteria: The Local Government Budget Act, LSA-R.S. 39:1306-1308 requires, among other things, that political subdivisions with proposed expenditures greater than five hundred thousand dollars shall afford the public an opportunity to participate in the budgetary process. The proposed budget shall be completed and made available for public inspection no later than fifteen days prior to the beginning of each fiscal year.

Condition: The district attorney's office did not complete and make available the proposed budget for public inspection no later than fifteen days prior to the beginning of the fiscal year.

Cause of Condition: Management did not advertise that the budget was available for public inspection fifteen days prior to the beginning of the fiscal year. The advertisement for the public hearing was advertised on January 10, 2019 and the public hearing was January 21, 2019.

Effect of Condition: The District Attorney is in violation of the Local Government Budget Act and related statutes.

Recommendation: Management should comply with all the requirements of the Louisiana Local Government Budget Act.

Response: The budget was prepared prior to the beginning of the fiscal year but the advertisement and public hearing were inadvertently overlooked and not published until January. The budget requirements were in compliance with the Louisiana Local Government Budget Act.

2019-003 Inadequate Segregation of Duties

Criteria: Adequate segregation of duties is essential to proper internal control.

Condition: The segregation of duties is inadequate to provide effective internal control.

Cause of Condition: The condition is due to economic limitations.

Effect of Condition: Not determined.

Recommendation: No action is recommended.

Response: Management has made changes to segregate duties in the office to help ensure a system of checks and balances.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

Finding 2018-001 Possible Violation of Article VII, Section 14 of the Louisiana Constitution

Condition: The District Attorney contributed \$30,000 to a not for profit organization.

Status: This finding is no longer applicable.

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September 25, 2020

Louisiana Legislative Auditor
Daryl G. Purpera
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

Finding: 2019-001

The 6th Judicial District operates a hot-check collection fund. The Hot-check Clerk's salary from this fund is based on the amount of hot-check D.A. fees collected. The Clerk that handles the Hot-check fund mistakenly paid excess wages to herself. The D.A. portion of the Hot-checks fees are paid as salary to this employee. However no taxes or payroll liabilities were withheld or paid on behalf of this employee. Moving forward, all activity of the Hot-check Fund will be reviewed by another employee to ensure this does not happen again. All excess wages were repaid immediately and have been submitted to the merchants.

Finding: 2019-002

The 2019 budget was prepared prior to the beginning of the fiscal year but the advertisement and the public hearing were inadvertently overlooked and not published until January. The public hearing was also held in January. The 2020 budget requirements were in compliance with the Louisiana Local Government Budget Act.

Finding: 2019-003

The segregation of duties for the Hot-Check fund collection is inadequate to provide effective internal control. In the future, there will be at least two employees involved in all aspects of the hot-check fund.

Sincerely,

A handwritten signature in blue ink that reads "James E. Paxton".

James E. Paxton
6th Judicial District Attorney

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Sixth Judicial District Attorney
PO Box 1389
Tallulah, LA 71284

To the Sixth Judicial District Attorney

I have performed the procedures enumerated below, which were agreed to by the management of the Sixth Judicial District Attorney and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. Management of Sixth Judicial District Attorney is responsible for those C/C areas identified in the SAUPs.

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*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I 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.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - C. Disbursements, including processing, reviewing, and approving

- D. Receipts, including receiving, recording, and preparing deposits
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- J. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification personnel, processes, and tools needed to recover operations after a critical event.

The Sixth Judicial District Attorney had policies and procedures in the prior year AUP, therefore this section was excluded from testing for the current period. The Disaster Recovery/Business Continuity policy and procedures was added as required.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. The District Attorney of the Sixth Judicial District does not have a board or a finance committee therefore this procedure is not applicable.

BANK RECONCILIATIONS

- 3. 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);
- 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);
- 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.

The agency provided me with a certified list of all bank accounts. May, 2019 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that 3 of the five bank reconciliations were performed by the administrative assistant and reviewed by the District Attorney. Hot check fund is reconciled by hot check clerk and not reviewed by anyone. Non support bank statement is reconciled by the non support administrator. The non support reconciliation is sent to the state each month with the monthly packets and reviewed by the state agency. There was evidence that the reconciliations for 4 of the 5 accounts were performed within 60 days of the bank statement date. One of the funds was not reconciled on a timely, regular basis. Three of the five accounts selected to test had outstanding reconciling items over 12 months.

COLLECTIONS

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- A) Employees that are responsible for cash collections do not share cash drawers/registers.
- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The District Attorney's office does not have an employee theft insurance policy, but the administrative assistant and other key officials have surety bond coverage. The agency has 5 cash drawers at 3 collection locations. The District Attorney does not accept any cash. The clerks in each department receive the payments for their department and they each make the appropriate entries in the court system and then the office administrator makes weekly deposits and posts the receipts to the accounting software. At the end of the month, the office administrator reconciles the bank accounts, except for the non support and hot check. The non support administrator reconciles her account. The hot check clerk reconciles her bank account.

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

The Sixth Judicial District Attorney does not have employee theft insurance on the employees, but the administrative assistant and other key employees have surety bond coverage.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement 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.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip,
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- D) Observe 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).
- E) Trace the actual deposit per the bank statement to the general ledger.

The Sixth Judicial District Attorney does not use pre-numbered receipts. Deposit documentation was traced to the supporting documentation for the deposits. The deposit slips selected were traced to the bank statements. The deposits were traced to the posting in the Quickbooks accounting software. Deposits are made weekly.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Agency provided a complete list of locations that process payments and represented that the list was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

A) At least two employees are involved in initialing a purchase request, approving a purchase, and placing an order/making the purchase.

B) At least two employees are involved in processing and approving payments to vendors.

C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Sixth Judicial District Attorney does not use a purchase order system or purchase requisitions. The purchasing agent initiates all purchases and the administrative assistant or district attorney approve all purchases. The administrative assistant adds all new vendors upon approval by the district attorney. The district attorney reviews and approves all invoices. The administrative assistant initiates and signs all checks and the district attorney reviews and approves all expenditures. The administrative assistant mails all check payments. The non support administrator initiates all non support expenditures, signs all non support checks and reconciles the bank account. All expenditures for non support are submitted to the state each month for approval and reimbursement.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- A) Observe that the disbursement matched the related original invoice/billing statement.
- B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All disbursements selected to be tested had the proper support documentation. The administrative assistant reviews and approves all invoices before checks are written, the district attorney reviews and approves after checks are written. The administrative assistant initiates the disbursement checks and signs all checks. The district attorney reviews and approves all disbursements. The administrative assistant reconciles all general fund bank statements and the district attorney reviews the reconciliations. The non support administrator reconciles the non support account and it is sent to the state each month with the monthly packet to be reviewed. The hot check clerk reconciles the hot check account and no one reviews the reconciliation. The non support administrator initiates all non support expenditures, signs all non support checks and reconciles the bank account. All expenditures for non support are submitted to the state each month for approval and reimbursement.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The agency provided me with a list of the active credit cards, fuel cards, etc.

- 12. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 13. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

TRAVEL AND EXPENSE REIMBURSEMENT

- 14. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

CONTRACTS

- 15. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

16. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
17. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
18. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
19. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

20. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

DEBT SERVICE

21. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
22. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

OTHER

23. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
24. The Sixth Judicial District Attorney had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

I was 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 C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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



Mary Jo Finley, CPA
September 25, 2020

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September 25, 2020

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: 2019 Application of Agreed-Upon Procedures

Dear Sir:

We respond to the application of the AUPs as follows, to wit:

3. We are now in the process of cleaning up these outstanding items. We will make sure all bank statement are reconciled within 60 days of receiving bank statement. The Hot-Check bank reconciliation will be reviewed by another employee.
5. It is not cost effective to make daily deposits. We do not accept any cash. We have not had any issues with our collections. We have policies in place to help with the checks and balances.
6. There is no law which states we are required to have an employee theft insurance policy. We are looking in to the cost of an employee theft insurance policy.
7. It is not cost effective to make daily deposits. We do not accept any cash. We have not had any issues with our collections. We have policies in place to help with the checks and balances.
9. In the future there will be two employees involved in the Hot-Check disbursements.
10. In the future there will be two employees involved in the Hot-Check disbursements.

Should you have any questions, please do not hesitate to call.

Sincerely,

James E. Paxton
6th Judicial District Attcrney