

**DISTRICT ATTORNEY OF THE EIGHTEENTH  
JUDICIAL DISTRICT**

**Parishes of Iberville, Pointe Coupee,  
and West Baton Rouge, Louisiana**

**ANNUAL FINANCIAL REPORT  
As of and for the Year Ended December 31, 2019**

**DISTRICT ATTORNEY OF THE EIGHTEENTH  
JUDICIAL DISTRICT  
Parishes of Iberville, Pointe Coupee,  
and West Baton Rouge, Louisiana**

**ANNUAL FINANCIAL REPORT  
As of and for the Year Ended December 31, 2019**

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	4-7
<b>Basic Financial Statements:</b>	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Reconciliation of the Balance Sheet - Governmental Funds To the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	14
Statement of Fiduciary Net Position	15
Notes to Financial Statements	16-35
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund	37
Budgetary Comparison Schedule – IV-D Special Revenue Fund	38
Budgetary Comparison Schedule – Worthless Check Special Revenue Fund	39
Schedule of Changes in Total OPEB Liability	40
Schedule of District Attorney's Proportionate Share of Net Pension Liability – District Attorneys' Retirement System	41
Schedule of District Attorney's Proportionate Share of Net Pension Liability – Parochial Employees' Retirement System	42
Schedule of District Attorney's Contributions to District Attorneys' Retirement System	43
Schedule of District Attorney's Contributions to Parochial Employees' Retirement System	44
Notes to Required Supplementary Information	45

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**Parishes of Iberville, Pointe Coupee,  
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CONTENTS

	<u>Page</u>
<b>Supplemental Information</b>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	47
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48-49
Summary Schedule of Findings and Responses	50-51
Summary Schedule of Prior Audit Findings	52
Corrective Action Plan for Current Year Audit Findings	53
<b>Independent Accountants' Report on Applying Agreed-Upon Procedures</b>	55-63

## INDEPENDENT AUDITORS' REPORT

Honorable Richard J. Ward, Jr.  
District Attorney, 18th Judicial District  
Plaquemine, Louisiana 70765

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18<sup>th</sup> Judicial District for the Parishes of Iberville, Pointe Coupee and West Baton Rouge, State of Louisiana, a component unit of the Iberville, West Baton Rouge, and Pointe Coupee Parish Councils, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the 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

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18<sup>th</sup> Judicial District for the Parishes of Iberville, Pointe Coupee and West Baton Rouge, State of Louisiana, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–7 and 37–39 be presented to supplement the basic financial statements. Such information, including the other post-employment benefit and pension information on pages 40–45, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2020, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.



Major, Morrison & David  
New Roads, Louisiana  
June 1, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

The Management's Discussion and Analysis (MD&A) of the District Attorney of the Eighteenth Judicial District (District Attorney) provides an overview and overall review of the District Attorney's financial activities for the fiscal year ended December 31, 2019. The intent of the MD&A is to look at the District Attorney's financial performance as a whole. It should, therefore, be read in conjunction with the District Attorney's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

**FINANCIAL HIGHLIGHTS**

- The District Attorney's total net position decreased by \$651,866 over the course of this year's operations.
- During the year, the District Attorney's expenses were \$672,983 more than the \$3,460,051 generated in charges for services and operating grants for governmental programs.
- The total cost of the District Attorney's programs was \$4,133,034, an increase of approximately \$450,342 or 12.20 percent.
- The governmental activities reported a decrease (excluding general revenues) this year of \$672,983.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District Attorney:

- The first two statements on pages 9 and 10 are government-wide financial statements that provide information about the activities of the District Attorney as a whole and present a longer-term view of the District Attorney's finances.
- The remaining statements starting on page 11 are fund financial statements that focus on individual parts of the District Attorney's government, reporting the District Attorney's operations in more detail than the government-wide statements.
  - The governmental fund statements tell how general government services, such as judicial services, were financed in the short term as well as what remains for future spending.
  - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information reporting on internal controls and any compliance findings. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**Government-wide Statements**

The government-wide statements report information about the District Attorney as a whole using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net position on page 9 includes all of the District Attorney's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 10, regardless of when cash is received or paid.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

These two statements report the District Attorney's net position and changes in them. Net position – the difference between the District Attorney's assets and liabilities- is one way to measure the District Attorney's financial health, or financial position. Over time, increases and decreases in the District Attorney's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the District Attorney.

The government-wide financial statements of the District Attorney, report only one type of activity – governmental activities. All of the District Attorney's basic services are included here, such as judicial services and general administration.

**Fund Financial Statements**

The fund financial statements, beginning on page 11, provide more detail about the District Attorney's most significant funds – not the District Attorney as a whole. State laws require the establishment of some funds. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

The District Attorney uses only the governmental type of fund with the following accounting approach. Most of the District Attorney's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

**FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE**

**Net position.** The District Attorney's combined net position decreased between fiscal years 2018 and 2019, decreasing to approximately \$3,080,884. (See Table 1 below):

**Table 1  
District Attorney's Net Position**

	<b>Governmental Activities 2018</b>	<b>Governmental Activities 2019</b>
Current and other assets	\$ 4,089,554	\$ 3,619,395
Capital assets	<u>92,674</u>	<u>110,271</u>
<b>Total assets</b>	<b>4,182,228</b>	<b>3,729,666</b>
Deferred Outflows of Resources	<u>509,757</u>	<u>728,448</u>
Current liabilities	136,955	128,996
Noncurrent liabilities	<u>558,887</u>	<u>1,030,135</u>
<b>Total liabilities</b>	<b><u>695,842</u></b>	<b><u>1,159,131</u></b>
Deferred Inflows of Resources	<u>263,394</u>	<u>218,099</u>



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

Net position:

Invested in capital assets, net of related debt	92,674	110,271
Restricted – IV-D Program	27,863	31,607
Restricted – Worthless Check Program	54,620	9,052
Unrestricted	<u>3,557,593</u>	<u>2,929,954</u>
<b>Total net position</b>	<b>\$ <u>3,732,750</u></b>	<b>\$ <u>3,080,884</u></b>

Net position of the District Attorney's governmental activities decreased by 17.5 percent to \$3,080,884.

**Changes in net position.** The District Attorney's total revenues decreased by 17.7 percent to \$3.48 million (See Table 2), due to decreased fines, fees & costs, and forfeitures. Approximately 61 percent of the District Attorney's revenue comes from fines, fees, and forfeitures collected from defendants in civil and criminal cases.

The total cost of all programs and services increased approximately \$450,342 or 12.20 percent due to increasing operating expenses and share payouts on fine revenues. The District Attorney's expenses cover all services performed by its office.

**Governmental Activities**

Revenues for the District Attorney's governmental activities decreased by 17.7 percent, while total expenses increased 12.20 percent.

**Table 2  
Changes in District Attorney's Net Position**

	<b>Governmental Activities 2018</b>	<b>Governmental Activities 2019</b>
<b>Revenues</b>		
Program Revenues		
Charges for services	\$ 2,916,861	\$ 2,113,129
Federal, State & local grants	1,299,810	1,346,922
Other revenues	<u>12,575</u>	<u>21,117</u>
<b>Total revenues</b>	<b>4,229,246</b>	<b>3,481,168</b>
<b>Expenses</b>		
General government	<u>3,682,692</u>	<u>4,133,034</u>
<b>Total expenses</b>	<b><u>3,682,692</u></b>	<b><u>4,133,034</u></b>
<b>Increase (decrease) in net position</b>	<b>\$ <u>546,554</u></b>	<b>\$ <u>(651,866)</u></b>

**Table 3  
Net Cost of District Attorney's Governmental Activities**

	<b>Total Cost of Services 2019</b>	<b>Net Cost of Services 2019</b>
Judicial Services	3,895,399	(626,727)
IV-D Program	<u>237,635</u>	<u>(46,246)</u>
<b>Total</b>	<b><u>\$4,133,034</u></b>	<b><u>\$ ( 672,983)</u></b>

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS**

As the District Attorney completed the year, its governmental funds reported a combined fund balance of \$3,490,399, reflecting an decrease over the prior year of \$462,200. Of this fund balance, \$31,607 is restricted for use in the IV-D program. \$9,052 is assigned for the worthless check program, and \$3,449,740 is unassigned within the general fund and therefore available for spending. The decrease in fund balance was due mainly to decreases in revenues from fines, fees & costs, and forfeitures with increases in operating costs and personnel benefits during the fiscal year.

**General Fund Budgetary Highlights**

During the year, the District Attorney revised its General and Worthless Check Fund budgets once. The budget amendment was to increase appropriations and revise revenues to prevent budget overruns within the General Fund and revise decreased revenue estimates as well as expenses within the Worthless Check Fund.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the year, the District Attorney had invested \$110,271 in capital assets. (See Table 4).

**Table 4  
District Attorney's Capital Assets  
(net of accumulated depreciation)**

	<b>Governmental Activities 2018</b>	<b>Governmental Activities 2019</b>
Vehicles	18,916	36,248
Furniture and equipment	<u>73,758</u>	<u>74,023</u>
<b>Total</b>	<b>\$ <u>92,674</u></b>	<b>\$ <u>110,271</u></b>

**Debt**

At year-end, the District Attorney had no long-term debt.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Approximately 61 percent of the District Attorney's revenues are derived from fines, fees, and forfeitures from civil and criminal cases. The District Attorney's fines and fees are expected to remain similar to the prior year due to decreases in fines from the LACE program with grant income to remain relatively stable from the IV-D federal award program. Personnel benefit costs will increase due to increases in retirement costs and health insurance. Other costs will be managed in order to remain within estimated revenues generated. The budget for the year 2020 will be monitored closely in order to reduce non-essential spending and operate within the expected revenues to be generated. Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. It is unknown how this will affect the District Attorney's operations in the coming year at the date of this report.

**CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Richard J. Ward, Jr., District Attorney of the Eighteenth Judicial District Iberville Parish Courthouse P.O. Drawer 880 Plaquemine, Louisiana 70765.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Statement of Net Position**

**12/31/2019**

	<b><u>Governmental Activities</u></b>
<b>ASSETS</b>	
Cash and cash equivalents	2,598,445
Investments	972,818
Accounts receivable	29,028
Grants receivable	19,104
Capital assets, net of depreciation	<u>110,271</u>
Total Assets	<u>3,729,666</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Resources related to pensions	<u>728,448</u>
Total deferred outflows of resources	<u>728,448</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	128,996
Long term liabilities:	
Net pension liability	890,431
Other post-employment benefits	<u>139,704</u>
Total Liabilities	<u>1,159,131</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Resources related to pensions	<u>218,099</u>
Total deferred inflows of resources	<u>218,099</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	110,271
Restricted for:	
IV-D Program	31,607
Worthless Check Program	9,052
Unrestricted (deficit)	<u>2,929,954</u>
Total net position	<u><u>\$ 3,080,884</u></u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Statement of Activities**

**12/31/2019**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - Judicial	\$ 3,895,399	\$ 2,113,129	\$ 1,155,543	\$ (626,727)
Health and welfare	237,635	0	191,379	(46,256)
Total governmental activities	4,133,034	2,113,129	1,346,922	(672,983)
General revenues:				
Unrestricted investment earnings				21,117
Total general revenues				21,117
Change in net position				(651,866)
Net position - beginning of the year				3,732,750
Net position - end of the year				<u>\$ 3,080,884</u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Balance Sheet - Governmental Funds**

**12/31/2019**

	<b>GENERAL FUND</b>	<b>IV-D FUND</b>	<b>WORTHLESS CHECK FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,562,239	\$ 27,154	\$ 9,052	\$ 2,598,445
Investments	972,818	0	0	972,818
Receivables	31,528	16,604	0	48,132
Total Assets	<u>\$ 3,566,585</u>	<u>\$ 43,758</u>	<u>\$ 9,052</u>	<u>\$ 3,619,395</u>
<b>LIABILITIES &amp; FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 36,541	\$ 268	\$ 0	\$ 36,809
Payroll deductions and withholdings	80,304	11,883	0	92,187
Total Liabilities	<u>116,845</u>	<u>12,151</u>	<u>0</u>	<u>128,996</u>
Fund Balances:				
Restricted for:				
Federal & state grants	0	31,607	0	31,607
Assigned for:				
Worthless checks	0	0	9,052	9,052
Unassigned	3,449,740	0	0	3,449,740
Total Fund Balances	<u>3,449,740</u>	<u>31,607</u>	<u>9,052</u>	<u>3,490,399</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u><b>\$ 3,566,585</b></u>	<u><b>\$ 43,758</b></u>	<u><b>\$ 9,052</b></u>	<u><b>\$ 3,619,395</b></u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

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

**12/31/2019**

Total fund balance - governmental funds	\$ 3,490,399
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.	110,271
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - governmental funds.	
Net pension liability	(890,431)
Other postemployment benefits	(139,704)
Deferred outflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	728,448
Deferred inflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	<u>(218,099)</u>
Total net position of governmental activities	<u><u>\$ 3,080,884</u></u>

The accompanying notes are an integral part of this statement.



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**12/31/2019**

	<b>GENERAL FUND</b>	<b>IV-D FUND</b>	<b>WORTHLESS CHECK FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 1,204,948	\$ 0	\$ 4,771	\$ 1,209,719
Intergovernmental revenues:				
Parish police juries	726,336	0	0	726,336
Federal grants	0	191,379	0	191,379
Other	38,145	0	0	38,145
On-Behalf salaries & benefits received	1,125,543	0	0	1,125,543
Interest earnings	21,117	0	0	21,117
Other revenues	11,048	0	0	11,048
<b>Total revenues</b>	<b>3,127,137</b>	<b>191,379</b>	<b>4,771</b>	<b>3,323,287</b>
<b>EXPENDITURES</b>				
Salaries and related benefits	1,554,374	208,069	0	1,762,443
On-Behalf salaries & benefits paid	1,125,543	0	0	1,125,543
Legal and accounting	47,000	0	0	47,000
Insurance	156,692	11,492	0	168,184
Office supplies	110,030	6,214	0	116,244
Repairs and maintenance	82,601	0	0	82,601
Utilities	36,665	5,191	0	41,856
Capital outlay	56,794	0	0	56,794
Miscellaneous	377,814	6,669	339	384,822
<b>Total expenditures</b>	<b>3,547,513</b>	<b>237,635</b>	<b>339</b>	<b>3,785,487</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(420,376)</b>	<b>(46,256)</b>	<b>4,432</b>	<b>(462,200)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of fixed assets	0	0	0	0
Transfers in	50,000	50,000	0	100,000
Transfers out	(50,000)	0	(50,000)	(100,000)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>50,000</b>	<b>(50,000)</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(420,376)</b>	<b>3,744</b>	<b>(45,568)</b>	<b>(462,200)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>3,870,116</b>	<b>27,863</b>	<b>54,620</b>	<b>3,952,599</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 3,449,740</b>	<b>\$ 31,607</b>	<b>\$ 9,052</b>	<b>\$ 3,490,399</b>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

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

**12/31/2019**

Net change in fund balances - total governmental funds	\$ (462,200)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital outlays	56,794
Depreciation	(39,198)

Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities only gains or losses are reported:

Gain (loss) on the disposal of capital assets	0
Proceeds from the sale of capital assets	0

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

(Increase) decrease in other post-employment benefits	(15,864)
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Governmental funds report current year pension contributions as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between pension contributions and actuarially calculated expense.	(349,279)
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The District Attorney's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

157,881

Change in net position of governmental activities	<u>\$ (651,866)</u>
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The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Statement of Fiduciary Net Position  
12/31/2019**

	<b><u>AGENCY FUNDS</u></b>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 561,732</u>
Total Assets	<u><u>\$ 561,732</u></u>
<b>LIABILITIES</b>	
Amounts held in custody for others	<u>561,732</u>
Total Liabilities	<u><u>\$ 561,732</u></u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

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

**INTRODUCTION**

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, 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 qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs 42 people.

**1. SUMMARY OF SIGNIFICANT POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the District Attorney of the 18th Judicial District, a component unit of the Iberville, West Baton Rouge, and Pointe Coupee Parish Councils, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments*, issued June 1999.

**B. REPORTING ENTITY**

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the Iberville, West Baton Rouge, and Pointe Coupee Parish Councils. The councils maintain and operate the parish courthouses in which the District Attorney's offices are located and provide funds for payroll and other expenses of the District Attorney's office. In addition, the councils' financial statements would be incomplete or misleading without inclusion of the District Attorney. For these reasons, the District Attorney was determined to be a component unit of the Iberville, West Baton Rouge, and Pointe Coupee Parish Councils, the financial reporting entities of the Iberville, Pointe Coupee, and West Baton Rouge Parishes.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the councils, the general governmental services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

**C. FUND ACCOUNTING**

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

**Governmental Funds**

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

**General Fund** – the primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy. The general fund also includes the pre-trial diversion program.

## **DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**

### **Plaquemine, Louisiana**

#### **Notes to the Financial Statements**

##### **Title IV-D Special Revenue Fund**

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

##### **Worthless Check Collection Fee Special Revenue Fund**

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney but may not be used to supplement the salary of the District Attorney.

#### **D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

##### **Government-Wide Financial Statements (GWFS)**

The Statement of Net Position and the Statement of Activities display information about the District Attorney as a whole. These statements include all the financial activities of the District Attorney. Information contained in these statements reflect 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

**Program Revenues** – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District Attorney's general revenues.

##### **Fund Financial Statements (FFS)**

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS 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:

##### **Revenues**

Revenues are recognized when they become both measurable and available to finance expenditures of the

## **DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**

### **Plaquemine, Louisiana**

#### **Notes to the Financial Statements**

current period. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector, an intermediary collecting government.

Intergovernmental revenues are recorded when the District Attorney is entitled to the funds.

#### **Expenditures**

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

#### **Other Financing Sources (Uses)**

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

#### **Deferred Revenues**

Deferred revenues arise when the District Attorney receives resources before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the District Attorney has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

### **E. BUDGETS**

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2019 was completed, published, and made available for public inspection on December 6, 2018. The public hearing was held at the District Attorney's office on December 19, 2018 for comments from taxpayers. The budget was legally adopted and amended, as necessary, by the District Attorney following the public hearing. All expenditure appropriations lapse at year end. The District Attorney has sole authority to make changes or amendments within various budget classifications. One amendment was made to the General Fund and Worthless Check Collection Fee Special Revenue Fund budgets for the year ended December 31, 2019.

The on-behalf payments received and paid by the State of Louisiana and the parish councils are not budgeted or reflected in the Budgetary Comparison Schedule- General Fund in this report. The net effect of reflecting the receipt and payment of salaries and benefits on-behalf is zero. A reconciliation of total revenues and expenditures for the General Fund follows:

	Total Revenue	Total Expenditures
Actual – Page 13	\$ 3,127,137	\$ 3,547,513
On-Behalf Payments	1,125,543	1,125,543
Budget – Page 37	\$ 2,001,594	\$ 2,421,970

### **F. ENCUMBRANCES**

The District Attorney does not use encumbrance accounting.

### **G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

offices in Louisiana or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the District Attorney's investment policy. The District Attorney may invest in United States bonds, treasury notes, or certificates of deposits. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. GASB Statement No. 31 allows the District Attorney to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

**I. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated historical 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. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Equipment & furniture	5 - 7 years
Vehicles	5 – 10 years

**J. BAD DEBTS**

The District Attorney uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No charge offs have occurred in the current or previous years of the District Attorney's operations.

**K. OTHER POSTEMPLOYMENT BENEFITS**

The District Attorney follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which requires the accrual of other postemployment benefits for retired employees. The District Attorney has recorded a liability for other postemployment benefits (see Note 9). In government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

**L. COMPENSATED ABSENCES**

The District Attorney has the following policy relating to paid time off (PTO) that applies to vacation, sick, and personal time, which are non-cumulative and non-vesting:

All office personnel are allowed 4 weeks of paid time off per year, which is prorated the initial year and final year of employment and applies as follows:

2 weeks of PTO for 1 year of service



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

3 weeks of PTO for 2 years of service  
4 weeks of PTO for 3 or more years of service

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The District Attorney follows GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement provides guidance for reporting deferred outflows, deferred inflows and net position in a statement of financial position and related disclosures and applies to transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. The District Attorney's deferred outflows/inflows of resources consist of resources related to pensions (see Note 7).

**N. PENSIONS**

Financial reporting information pertaining to the District Attorney's participation in the District Attorney's Retirement System (DARS) and the Parochial Employee's Retirement System (PERS) is prepared in accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", as amended by GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", which have been adopted by the District Attorney for the fiscal year ended December 31, 2015.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of DARS & PERS have been determined on the same basis as they are reported by DARS & PERS. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing DARS & PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District Attorney's proportionate share of the plan's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. See note 7 for additional information.

**O. RESTRICTED NET POSITION**

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

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

**P. FUND EQUITY**

Beginning with the fiscal year ending December, 2011, the District Attorney adopted Governmental Accounting Standards Board (GASB) Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

*Nonspendable* – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

*Restricted* – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.

*Committed* – amounts that can be used only for specific purposes determined by formal action of the District Attorney, who is the highest level of decision-making authority for the District Attorney, 18<sup>th</sup> Judicial District. Commitments cannot be used for any other purpose unless the same action that established them decides to

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**

**Plaquemine, Louisiana**

**Notes to the Financial Statements**

modify or remove them.

*Assigned* – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the District Attorney or individual designated for that purpose.

*Unassigned* – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the District Attorney considers the most restrictive funds to be used first. However, the District Attorney reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

**Q. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenses during the reporting period. Actual results could differ from those estimates.

**2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had actual expenditures over budgeted appropriations for the year ended December 31, 2019:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$2,198,500	\$2,418,269	\$2,421,970	\$ (3,701)

**3. DEPOSITS AND INVESTMENTS**

**A. Cash and Cash Equivalents**

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the District Attorney's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the District Attorney. The District Attorney's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the District Attorney as of December 31, 2019. Deposits are listed in terms of whether they are exposed to custodial credit risk.

**Bank Balances**

	<u>Uninsured &amp; Uncollateralized</u>	<u>Uninsured &amp; collateralized With securities held by Pledging Institution or it's Trust Department/Agent But not in the Entity's Name</u>	<u>Total Bank Balances - All Deposits</u>	<u>Total Carrying Value - All Deposits</u>
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,192,773	\$ 3,160,177

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

Total bank balances and total carrying amount of deposits includes cash in the agency funds at year-end of \$561,732.

**B. Investments**

Investments are stated at fair value which approximates cost. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The District Attorney's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the District Attorney's opinion that since these securities are governmental agencies, credit risk is not a factor.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District Attorney will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the District Attorney. The following chart presents the investment position of the District Attorney as of December 31, 2019. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

**Investments**

	Uninsured, Unregistered, and Held by the Counterparty	Uninsured, Unregistered & Held by the Counterparty's Trust Department or Agent But not in the Entity's Name	All Investments - Reported Amount	All Investments - Fair Value
Certificates of Deposit	-	-	\$ 972,818	\$ 972,818
Total	\$ -	\$ -	\$ 972,818	\$ 972,818

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The District Attorney's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at December 31, 2019 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6+ Years Before Maturity</u>
Certificates of Deposit	\$ 972,818	972,818	-	-
Total	\$ 972,818	\$ 972,818	\$ -	\$ -

**4. RECEIVABLES**

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

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

	<u>General Fund</u>	<u>IV-D Fund</u>	<u>Total</u>
Accounts Receivable	<u>\$31,528</u>	<u>\$ 16,604</u>	<u>\$48,132</u>

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2019 are as follows:

	<u>Furniture &amp; Equipment</u>	<u>Automobiles</u>	<u>Total</u>
Cost of capital assets, December 31, 2018	\$ 377,614	\$ 42,035	\$ 419,649
Additions	25,277	31,517	56,794
Deletions	<u>0</u>	<u>0</u>	<u>0</u>
Cost of capital assets, December 31, 2019	<u>402,891</u>	<u>73,552</u>	<u>476,443</u>
Accumulated depreciation, December 31, 2018	303,855	23,119	326,974
Additions	25,013	14,185	39,198
Deletions	<u>0</u>	<u>0</u>	<u>0</u>
Accumulated depreciation, December 31, 2019	<u>328,868</u>	<u>37,304</u>	<u>366,172</u>
Capital assets net of accumulated Depreciation, at December 31, 2019	<u>\$ 74,023</u>	<u>\$ 36,248</u>	<u>\$ 110,271</u>

Depreciation expense of \$39,198 for the year ended December 31, 2019 was charged to the general governmental function.

**6. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$128,996 as of December 31, 2019, are as follows:

	<u>General Fund</u>	<u>IV-D Fund</u>
Accounts	\$ 36,541	\$ 268
Salaries and withholdings	<u>80,304</u>	<u>11,883</u>
Totals	<u>\$116,845</u>	<u>\$ 12,151</u>

**7. PENSION PLANS**

Substantially all employees of the District Attorney are members of either the Louisiana District Attorneys Retirement System or the Parochial Employees' Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Louisiana District Attorneys Retirement System**

*Plan Description.* The District Attorney's Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for District Attorneys and their assistants in each parish. All persons who are District Attorneys of the State of Louisiana, assistant District Attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits shall become members as a condition of their employment; provided, however, that in the case of assistant District Attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant District Attorneys. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced by 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contribution members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lessor of his actual service (not to be less than 15 years) or projected continued service to age 60.

Upon death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contribution member with 5 or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such refund cancels all accrued rights in the System.

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit (not to exceed \$60 per month), and all retired members and surviving beneficiaries who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases, the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest-bearing account.

Prior to January 1, 1990, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

*Funding Policy.* Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The rate from July 1, 2019 to June 30, 2020 was 4.00 percent of covered payroll (1.25% in prior year). Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System for the years ending December 31, 2019, 2018, and 2017, were \$24,725, \$5,946 and \$0 respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$151,486 for the year ended December 31, 2019.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2019, the District Attorney reported a liability of \$518,994 for its proportionate share of 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 District Attorneys, actuarially determined. At June 30, 2019, the District Attorney's proportion was 1.61327%, which was an increase of 0.116591% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$264,583. At December 31, 2019, the District Attorney recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,231	\$ 161,987
Changes in assumptions	236,381	17,118
Net difference between projected and actual earnings on pension plan investments	72,784	-
Changes in proportion and differences between district attorney's contributions and proportionate share of contributions	48,466	12,378

# DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT

## Plaquemine, Louisiana

### Notes to the Financial Statements

District Attorney contributions subsequent to the measurement date

	18,785	-
Total	\$ 378,647	\$ 191,483

The \$18,785 reported as deferred outflows of resources relating to pensions resulting from the District Attorney contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2020	\$ 62,538
2021	27,063
2022	35,116
2023	65,645
2024	(21,983)
Thereafter	0
Total	\$ 168,379

*Actuarial assumptions.* The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal Cost.
Investment Rate of Return:	6.50%, net of investment expense.
Projected Salary increases:	5.5% (2.40% inflation, 3.1% merit).
Mortality Rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set-back 1 year for females) projected to 2032 using scale AA for employees, annuitants, & beneficiaries. The RP-2000 Disabled Lives Mortality Table (set-back 5 years for males & 3 years for females) for disabled annuitants.
Cost of Living Adjustments	Only those previously granted.
Expected Remaining Service Lives	6 years.

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

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting expected long rate of return is 7.56% for the year ending June 30, 2019.

Best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Target Asset Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	48.42%	5.13%	



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

Fixed Income	40.10%	1.65%	
Alternatives	10.99%	.78%	
Cash	<u>0.49%</u>	0.00%	
Totals	<u>100%</u>		5.07%
Inflation			<u>2.49%</u>
Expected Arithmetic Nominal Return			<u>7.56%</u>

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

*Sensitivity to Changes in Discount Rate.* The following presents the District Attorney's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District Attorney's 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 as of June 30, 2019:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District Attorney's proportionate share of the net pension liability	\$ 1,413,691	\$ 518,994	\$ (242,841)

The District Attorneys' Retirement System has 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.lila.la.gov](http://www.lila.la.gov).

## **B. Parochial Employees' Retirement System of Louisiana**

*Plan Description.* Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Attorney are members of Plan A. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

### Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justice of the peace, and parish presidents may no longer join the System.

### Retirement Benefits:

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

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump-sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 11.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System under Plan A for the years ending December 31, 2019, 2018, and 2017, were \$63,940, \$58,150, and \$61,897, respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$6,395 for the year ended December 31, 2019.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2019, the District Attorney reported a liability of \$371,437 for its proportionate share of net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating District Attorneys, actuarially determined. At December 31, 2018, the District Attorney's proportion was .083688%, which was an increase of 0.020943% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$84,696. At December 31, 2019, the District Attorney recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 22,629
Changes in assumptions	92,872	-
Net difference between projected and actual earnings on pension plan investments	177,808	-
Changes in proportion and differences between district attorney's contributions and proportionate share of contributions	15,181	3,987
District Attorney contributions subsequent to the measurement date	63,940	-
	<hr/>	<hr/>
Total	\$ 349,801	\$ 26,616

The \$63,940 reported as deferred outflows of resources relating to pensions resulting from the District Attorney contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT

## Plaquemine, Louisiana

### Notes to the Financial Statements

Year ended December 31,	
2020	\$ 89,303
2021	50,749
2022	40,647
2023	78,546
2024	-0-
Thereafter	-0-
Total	<u>\$ 259,245</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Plan A – Entry Age Normal
Investment Rate of Return:	6.50%, net of investment expense, including inflation.
Projected Salary increases:	4.75% (2.40% inflation, 2.35% merit).
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males & 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males & 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Expected Remaining Service Lives	4 years.

*Discount Rate.* The discount rate used to measure the total pension liability for Plan A 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 rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model(bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long rate of return is 7.43% for the year ending December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.22%
Equity	52%	3.45%



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disable annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

*Sensitivity to Changes in Discount Rate.* The following presents the District Attorney's proportionate share of the net pension Liability calculated using the discount rate of 6.50%, as well as what the District Attorney's 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 as of December 31, 2018:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District Attorney's proportionate share of the net pension liability	\$ 788,833	\$ 371,437	\$ 22,531

The Parochial Employees' Retirement System has issued a stand-alone audit report on their financial statements for the year ended December 31, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

## **8. DEFERRED COMPENSATION PLAN**

Employees of the District Attorney may participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. The District Attorney's office has agreed to contribute a matching amount on a dollar for dollar basis of the employee's deferral up to a maximum of 6% of gross wages determined in the initial year of the plan or employment if hired after that date. Contributions made by the District Attorney for the year ending December 31, 2019, 2018, and 2017, were \$65,170, \$62,798, and \$58,875, respectively. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

## **9. POSTEMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS**

**Plan Description** – The District Attorney for the 18<sup>th</sup> Judicial District (District Attorney) provides certain continuing health care and life insurance benefits for its retired employees. The District Attorney's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District Attorney. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the District Attorney. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

*Benefits Provided* – Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Only a retiring District Attorney with at least 25 years of service is eligible for retiree medical benefits to be paid by the employer. Benefits are governed by applicable Louisiana Law (R.S. 16:516). Life insurance coverage is considered for this valuation.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

*Employees covered by benefit terms* – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1</u>
	<u>1</u>

**Total OPEB Liability**

The District Attorney's total OPEB liability of \$139,704 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	4.10% annually (Beginning of Year to Determine ADC)
	2.74% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period. Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

**Changes in the Total OPEB Liability**

Balance at December 31, 2018	\$ 123,840
Changes for the year:	
Service cost	-
Interest	5,077
Differences between expected and actual experience	(10,200)
Changes in assumptions	20,987
Benefit payments and net transfers	<u>-</u>
Net changes	<u>15,864</u>
Balance at December 31, 2019	<u>\$ 139,704</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following represents the total OPEB liability of the District Attorney, as well as what the District Attorney's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.74%) or one percentage point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount (2.74%)	1.0% Increase (3.74%)
Total OPEB Liability	<u>\$ 157,968</u>	<u>\$ 139,704</u>	<u>\$ 124,417</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current healthcare trend rates:

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

	1.0% Decrease (4.5%)	Current Discount (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 125,248	\$ 139,704	\$ 156,525

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2019, the District Attorney recognized OPEB expense of \$15,864. At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes ins assumptions	\$ -	\$ -
Total	\$ -	\$ -

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

<u>Years ending December 31:</u>	
2020	-
2021	-
2022	-
2023	-
2024	-
Thereafter	-

**10. LEASES**

The District Attorney has cancellable operating leases on 4 copiers and 2 postage machines and incurred rental expense in the amount of \$21,008 for the year ended December 31, 2019.

**11. INTERFUND TRANSFERS**

The following interfund transfers were incurred during the year ended December 31, 2019:

Transferring Fund	IV-D Fund	General Fund
Worthless Check Fund		\$ 50,000
General Fund	\$ 50,000	

Transfers from the general fund to IV-D fund occurred in order to cover the additional costs of running the child enforcement support program over the federal funds received during the year. Transfers from Worthless Check fund to general fund were excess funds not required for use within the Worthless Check fund.

**12. LITIGATION AND CLAIMS**

At December 31, 2019, the District Attorney had no pending lawsuits. Litigation costs of \$0 were incurred in the current year.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

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

The accompanying financial statements do not include expenses of the District Attorney paid from the criminal court funds or from other parish funds for the operation of the District Attorney. Examples include office rent, miscellaneous supplies, and portions of health insurance. The amount of expenses paid by these other agencies has not been determined. See note 16 for other on-behalf payments included in these financial statements.

**14. OTHER EMPLOYMENT BENEFITS**

The District Attorney provides certain health care and dental benefits for its active employees. Substantially all employees may participate while working for the District Attorney. These benefits are provided through the related councils and an insurance company, whose monthly insurance premiums are paid by the District Attorney. The cost of employee's benefits totaled \$160,265 and \$144,643 for the years ended December 31, 2019 and 2018, respectively.

**15. RISK MANAGEMENT**

The District Attorney's office is exposed to risks of loss in the area of workers' compensation. Those risks are handled by purchasing commercial insurance. There was no significant reduction in insurance coverage during the current fiscal year.

**16. ON-BEHALF PAYMENTS**

The state and the various councils pay a portion of the salaries of the District Attorney and the Assistant District Attorneys. The councils pay the salaries of the office staff with a supplemental payroll from the District Attorney's payroll account. The State of Louisiana provides direct payments of salaries to the District Attorney and the assistant District Attorneys as designated by the District Attorney's office. These payments, referred to as "on-behalf payments received", provide the District Attorney and assistant District Attorneys with their base salary (currently \$50,000 and \$45,000, respectively). If the District Attorney's office wishes to pay salaries greater than the amount of salary supplements from the state, the additional amounts are paid out of the councils' payroll accounts or the District Attorney's office payroll account. The councils provide the office staff with their base salary and if the District Attorney wishes to pay salaries greater than that amount, the additional amounts are paid out of the District Attorney's payroll account.

In accordance with GASB No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the amount of on-behalf salaries paid directly to the District Attorney, assistant District Attorneys, and office staff, as well as the related benefits, has been recognized by the District Attorney's Office as revenues and expenditures. The amount recognized for the year ended December 31, 2019 was \$1,125,543.

**17. FEDERAL FINANCIAL ASSISTANCE PROGRAM**

The District Attorney participates in the following federal financial assistance programs:

<u>Federal Grants/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Expenditures</u>
Department of Health and Human Services Passed through Louisiana Department of Social Services:			
Title IV-D – Reimbursement assistance for child support			
Direct Grant			
Reimbursement Funds	93.563	1304LA4004	\$191,379

This program is funded by indirect assistance payments in the form of reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. The reimbursed payments are restricted by a formal agreement



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**Notes to the Financial Statements**

between the District Attorney and Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis. Reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit.

**18. SUBSEQUENT EVENTS**

Management has performed an evaluation of the District Attorney's activities through June 1, 20120 and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on June 1, 2020, except for the following note.

In the spring of 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The public health crisis has caused volatile economic conditions, impacting financial markets and disrupting general business activities across the United States. The timing and extent of the impact of COVID-19 on the District Attorney's current operations and future operations is unknown at the date of this report.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**GENERAL FUND**

**BUDGETARY COMPARISON SCHEDULE**  
**12/31/2019**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 1,905,700	\$ 1,077,000	\$ 1,204,948	\$ 127,948
Intergovernmental revenues:				
Parish police jury	661,792	726,268	726,336	68
Other	39,600	37,600	38,145	545
Interest earnings	9,500	13,000	21,117	8,117
Other revenues	4,600	7,000	11,048	4,048
<b>Total revenues</b>	<b>2,621,192</b>	<b>1,860,868</b>	<b>2,001,594</b>	<b>140,726</b>
<b>EXPENDITURES</b>				
Salaries and related benefits	1,472,500	1,616,500	1,554,374	62,126
Legal and accounting	40,000	47,500	47,000	500
Insurance	117,000	140,000	156,692	(16,692)
Office supplies	105,500	105,500	110,030	(4,530)
Repairs and maintenance	60,000	46,500	82,601	(36,101)
Utilities	25,000	38,000	36,665	1,335
Capital outlay	25,000	63,269	56,794	6,475
Miscellaneous	353,500	361,000	377,814	(16,814)
<b>Total expenditures</b>	<b>2,198,500</b>	<b>2,418,269</b>	<b>2,421,970</b>	<b>(3,701)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>422,692</b>	<b>(557,401)</b>	<b>(420,376)</b>	<b>137,025</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of fixed assets	0	0	0	0
Transfers in	50,000	50,000	50,000	0
Transfers out	(50,000)	(50,000)	(50,000)	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>422,692</b>	<b>(557,401)</b>	<b>(420,376)</b>	<b>137,025</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>3,849,671</b>	<b>3,870,116</b>	<b>3,870,116</b>	<b>0</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 4,272,363</b>	<b>\$ 3,312,715</b>	<b>\$ 3,449,740</b>	<b>\$ 137,025</b>

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**IV-D FUND**

**BUDGETARY COMPARISON SCHEDULE**  
**12/31/2019**

	<b>BUDGETED AMOUNTS</b>		<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES</b>				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental revenues:				
Federal grants	180,000	180,000	191,379	11,379
Total revenues	180,000	180,000	191,379	11,379
<b>EXPENDITURES</b>				
Salaries and related benefits	206,900	206,900	208,069	(1,169)
Insurance	13,000	13,000	11,492	1,508
Office supplies	4,500	4,500	6,214	(1,714)
Repairs and maintenance	1,000	1,000	0	1,000
Utilities	5,500	5,500	5,191	309
Capital outlay	1,000	1,000	0	1,000
Miscellaneous	6,300	6,300	6,669	(369)
Total expenditures	238,200	238,200	237,635	565
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(58,200)	(58,200)	(46,256)	11,944
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	50,000	0
Transfers out	0	0	0	0
Total other financing sources (uses)	50,000	50,000	50,000	0
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(8,200)	(8,200)	3,744	11,944
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	25,756	25,756	27,863	2,107
<b>FUND BALANCE AT END OF YEAR</b>	\$ 17,556	\$ 17,556	\$ 31,607	\$ 14,051

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**  
**WORTHLESS CHECK FUND**

**BUDGETARY COMPARISON SCHEDULE**  
**12/31/2019**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 9,500	\$ 4,400	\$ 4,771	\$ 371
Intergovernmental revenues:				
Federal grants	0	0	0	0
Total revenues	9,500	4,400	4,771	371
<b>EXPENDITURES</b>				
Salaries and related benefits	0	0	0	0
Legal and accounting	0	0	0	0
Insurance	0	0	0	0
Office supplies	0	0	0	0
Repairs and maintenance	0	0	0	0
Utilities	0	0	0	0
Capital outlay	0	0	0	0
Miscellaneous	6,000	400	339	61
Total expenditures	6,000	400	339	61
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,500	4,000	4,432	432
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	0	0	0	0
Transfers out	(50,000)	(50,000)	(50,000)	0
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	0
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(46,500)	(46,000)	(45,568)	432
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	56,957	54,621	54,620	(1)
<b>FUND BALANCE AT END OF YEAR</b>	\$ 10,457	\$ 8,621	\$ 9,052	\$ 431

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
PLAQUEMINE, LOUISIANA**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2018	2019
Service cost	\$ 4,294	\$ -
Interest	4,559	5,077
Changes of benefit terms	-	-
Differences between expected & actual experience	(5,642)	(10,200)
Changes of assumptions	(9,762)	20,987
Benefit payments	-	-
Net change in total OPEB liability	(6,551)	15,864
Total OPEB liability – beginning	130,391	123,840
Total OPEB liability – ending	\$ 123,840	\$ 139,704
Net OPEB liability	\$ 123,840	\$ 139,704
Covered employee payroll	\$ 198,624	\$ 204,583
Net OPEB liability as a percentage of covered employee payroll	62.35%	68.29%
Fiduciary Net Position	\$ -0-	\$ -0-
Funded Ratio	0%	0%

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

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**DISTRICT ATTORNEYS' RETIREMENT SYSTEM**  
**DECEMBER 31, 2019**

41

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
DA's proportion of the net pension liability (asset)	1.613270%	1.496679%	1.423331%	1.263648%	1.203408%	1.259797%	Unavailable	Unavailable	Unavailable	Unavailable
DA's proportionate share of the net pension liability (asset)	\$518,994	\$481,619	\$383,904	\$241,871	\$64,822	\$25,124	Unavailable	Unavailable	Unavailable	Unavailable
DA's covered-employee payroll	\$950,879	\$930,547	\$922,866	\$764,686	\$705,729	\$728,680	\$724,348	\$711,695	\$693,408	\$684,371
DA's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	54.58%	51.76%	41.60%	31.63%	9.18%	3.44%	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	93.12%	92.92%	93.57%	95.09%	98.56%	99.45%	Unavailable	Unavailable	Unavailable	Unavailable

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM  
DECEMBER 31, 2019**

42

Fiscal Year Ended December 31:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
DA's proportion of the net pension liability (asset)	.083688%	.062745%	.079970%	.100009%	.108994%	.115803%	Unavailable	Unavailable	Unavailable	Unavailable
DA's proportionate share of the net pension liability (asset)	\$371,437	\$(46,572)	\$164,699	\$263,252	\$29,800	\$8,229	Unavailable	Unavailable	Unavailable	Unavailable
DA's covered-employee payroll	\$505,650	\$495,180	\$476,234	\$573,414	\$603,300	\$622,937	\$637,695	\$635,441	\$560,787	\$519,624
DA's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	73.46%	9.41%	34.58%	45.91%	4.94%	1.32%	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	88.86%	101.98%	94.15%	92.23%	99.15%	99.76%	Unavailable	Unavailable	Unavailable	Unavailable



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S CONTRIBUTIONS  
DISTRICT ATTORNEYS' RETIREMENT SYSTEM  
DECEMBER 31, 2019**

43

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$11,886	\$0	\$0	\$26,764	\$49,401	\$71,046	\$74,246	\$69,390	\$62,407	\$34,219
Contributions in relation to the contractually required contribution	<u>\$11,886</u>	<u>\$0</u>	<u>\$0</u>	<u>(26,764)</u>	<u>(49,401)</u>	<u>(71,046)</u>	<u>(74,246)</u>	<u>(69,390)</u>	<u>(62,407)</u>	<u>(34,219)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DA's covered-employee payroll	\$950,879	\$930,547	\$922,866	\$764,686	\$705,729	\$728,680	\$724,348	\$711,695	\$693,408	\$684,371
Contribution as a percentage of covered-employee payroll	1.25%	0.00%	0.00%	3.50%	7.00%	9.75%	10.25%	9.75%	9.00%	5.00%

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S CONTRIBUTIONS  
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM  
DECEMBER 31, 2019**

44

Fiscal Year Ended December 31:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$63,940	\$58,150	\$61,897	\$61,910	\$83,145	\$96,528	\$100,342	\$100,437	\$100,082	\$88,324
Contributions in relation to the contractually required contribution	<u>(63,940)</u>	<u>(58,150)</u>	<u>(61,897)</u>	<u>(61,910)</u>	<u>(83,145)</u>	<u>(96,528)</u>	<u>(100,342)</u>	<u>(100,437)</u>	<u>(100,082)</u>	<u>(88,324)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DA's covered-employee payroll	\$556,003	\$505,650	\$495,180	\$476,234	\$573,414	\$603,300	\$622,937	\$637,695	\$635,441	\$560,787
Contribution as a percentage of covered-employee payroll	11.50%	11.50%	12.50%	13.00%	14.50%	16.00%	16.75%	15.75%	15.75%	15.75%

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT**  
**Plaquemine, Louisiana**

**Notes to Required Supplementary Information**  
**For the Year Ended December 31, 2019**

**OPEB Plan**

*Changes in Benefit Terms* – There were no changes of benefit terms for the year ended December 31, 2019.

*Changes in Assumptions* – The discount rate as of December 31, 2018 was 4.10% and it changed to 2.74% as of December 31, 2019.

*Assets* – There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

**District Attorneys' Retirement System**  
**Parochial Employees' Retirement System**

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

*Changes in Proportion.* Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

## **SUPPLEMENTAL INFORMATION**

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Schedule of Compensation, Benefits, and  
Other Payments to Agency Head**

**12/31/2019**

**AGENCY HEAD NAME: Richard J. Ward, Jr.**

<b><u>PURPOSE</u></b>	<b><u>AMOUNT</u></b>
Salary	\$ 146,347
Benefits - insurance	13,363
Benefits - retirement	3,438
Deferred compensation	6,500
Cell phone	3,756
Dues	448
Travel - mileage reimbursements	8,634
Registration fees	325
Conferences - travel, lodging & meals	2,841
	<u>\$ 185,652</u>

**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 Richard J. Ward, Jr.  
District Attorney, 18th Judicial District  
Plaquemine, Louisiana 70765

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18th Judicial District for the Parishes of Iberville, Pointe Coupee, and West Baton Rouge, State of Louisiana, a component unit of the Iberville, West Baton Rouge, and Pointe Coupee Parish Councils, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated June 1, 2020.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item 19-1 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 19-1 and 19-2 to be significant deficiencies.

**Compliance and Other Matters**

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

### **District Attorney's Response to Findings**

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

### **Purpose of this Report**

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

Major, Morrison & David  
New Roads, Louisiana  
June 1, 2020

A handwritten signature in blue ink that reads "Major, Morrison & David". The signature is written in a cursive, flowing style.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Schedule of Findings and Responses  
For the Year Ended December 31, 2019**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	<u>  X  </u> yes <u>      </u> no
Deficiency(s) in internal controls identified not considered to be material weaknesses?	<u>  X  </u> yes <u>      </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes <u>  X  </u> no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 19-1**

Criteria: Accounting duties should be segregated to achieve effective internal control and safeguarding of assets.

Condition: Lack of segregation of functions within the accounting system.

Effect: A defalcation or misappropriation of funds could more easily occur.

Cause: Lack of segregation of duties, which permits control to be exercised over the accounting records by a person who also handles or controls cash transactions, recording, and other accounting functions without any intervention by another person.

Recommendation: We recommend that steps be taken to segregate duties within the various accounting functions.

Management's Response: Because of the limited number of accounting personnel, total segregation of accounting duties will not be possible nor cost beneficial. However, management has established and implemented additional review procedures paying close attention to processes handled by the accounting personnel to reduce the risk of potential problems and will continue to review accounting procedures and make internal control improvements that are practical and cost beneficial.

**Finding 19-2**

Condition: As is common in small organizations, the District Attorney does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such management has chosen to engage the auditor to assist in preparation of the annual financial statements. This condition is intentional by management based upon the District Attorney's limited accounting administrative personnel, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with GAAP. Based on this decision, internal controls over the preparation of the financial statements, including the notes, in accordance with GAAP have not been established. Under generally accepted auditing standards, this represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) No. 115 requires that we report the above condition as a deficiency in internal control. SAS 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Schedule of Findings and Responses  
For the Year Ended December 31, 2019**

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS 115 reporting requirements. The District Attorney has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Response: Management has agreed with the auditor's finding and recommendation.

**DISTRICT ATTORNEY OF THE EIGHTEENTH  
JUDICIAL DISTRICT  
Plaquemine, Louisiana**

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
<b>Section I – Internal Control and Compliance Material to the Financial Statements:</b>				
18-1	FY98	Lack of segregation.	Partially	Total segregation is impractical. Additional review processes implemented closely monitoring accounting personnel to reduce the risk of potential problems.
18-2	FY07	Lack of experienced staff needed to prepare the financial statements in accordance with GAAP.	Partially	The District Attorney has examined cost & benefits of hiring an internal accountant in order to prepare the financial statements & determined that it is more beneficial to have the auditors prepare the statements with him reviewing before issuance.

**Section II – Internal Control and Compliance Material to Federal Awards:**

None.

**Section III – Management Letter**

Reporting on lack of segregation of duties and experienced staff needed to prepare the financial statements resulting in significant control deficiencies.

**DISTRICT ATTORNEY OF THE EIGHTEENTH  
JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended December 31, 2019**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completed</u>
<b>Section I – Internal Control and Compliance Material to the Financial Statements:</b>				
19-1	Lack of segregation.	Due to the size of the District Attorney's office, total segregation of accounting duties is impractical. Management has implemented additional review processes thereby reducing the risk of potential problems.	R. Ward	Ongoing
92	The District Attorney does not have a staff person who has qualifications & training to apply GAAP in preparing the entity's financial statements & notes.	The District Attorney has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditor prepare the financial statements and notes & review drafts before approving the reports for issuance.	R. Ward	Ongoing

**Section II – Internal Control and Compliance Material to Federal Awards:**

None.

**Section III – Management Letter**

We reported on the lack of segregation of duties and of experienced staff to prepare the financial statements resulting in significant control deficiencies.

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Management of the District Attorney- 18<sup>th</sup> Judicial District &  
The Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the District Attorney – 18<sup>th</sup> Judicial District (District Attorney) and the Legislative Auditor, State of Louisiana (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2019. Management of the 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget  
*Written policies and procedures were obtained and address the functions noted above.*
  - 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.  
*Written policies and procedures were obtained and address the functions noted above.*
  - c) **Disbursements**, including processing, reviewing, and approving  
*Written policies and procedures were obtained and address the functions noted above.*
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*Written policies and procedures were obtained and address the functions noted above.*
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*Written policies and procedures were obtained and address the functions noted above.*

- 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

*Written policies and procedures were obtained and address the functions noted above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).

*Written policies and procedures were obtained and address the functions noted above.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the functions noted above.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Written policies and procedures were obtained and address the functions noted above.*

- 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 of personnel, processes, and tools needed to recover operations after a critical event.

*Written policies and procedures were obtained and address the functions noted above.*

#### ***Board (or Finance Committee, if applicable)***

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Not applicable*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

*Not applicable*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*Not applicable*

### ***Bank Reconciliations***

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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 the selected each account, and observe that:

*Obtained listing of client bank accounts from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts for one random month during the period.*

- 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);

*Reconciliations have been prepared within 2 months of statement closing date for each account.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*The bank reconciliations prepared for all accounts examined had evidence of management review.*

- 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.

*For all bank reconciliations selected, 4 accounts selected had no items noted outstanding for more than 12 months. 2 accounts had outstanding items along with documentation that management has researched and was in the process of clearing up those outstanding items.*

### ***Collections (excluding EFTs)***

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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).

*Obtained listing of deposit sites and management's representation that listing is 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:

*Obtained listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*Employees responsible for cash collections do not share cash drawers.*

- 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.

*The employee responsible for collecting cash is not responsible for preparing/making bank deposits, except for receipts mailed to the central administrative office, which is deposited and reconciled by the controller.*

- 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.

*The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger, except for the collections received in the mail by the controller at the central administrative office.*

- 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 employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash, except for the collections received in the mail at central administrative office by the controller, which is reviewed by the District Attorney.*

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

*Not all personnel who have access to cash are covered by a bond or insurance policy for theft.*

- 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 statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

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

*Receipts were sequentially pre-numbered.*

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

*Pre-numbered receipts, system reports, and other related collection documentation agreed to the deposit slips.*

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

*Deposit slip totals agreed with the actual deposits per the bank.*

- 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).

*Deposits were made within one business day of receipt or week (more than 10 miles away) at the collection location.*

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

*Deposits per the bank statement agreed to the general ledger.*

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

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*Non-payroll disbursements procedures were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in prior year (Year 2).*

- 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 is less than 5).



9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe 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.

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#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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*Credit cards/Debit cards/Fuel Cards/P-Cards were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in prior year (Year 2).*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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#### ***Travel and Expense Reimbursement***

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*Travel and expense reimbursements were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in prior year (Year 2).*

14. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation required by written policy (procedure#1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

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*Contracts were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in prior year (Year 2).*

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

### ***Payroll and Personnel***

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*Payroll and Personnel were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in prior year (Year 2).*

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employee/officials selected under #16 above, obtain attendance records and leave documentation for the pay period and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employee/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

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#### ***Ethics (excluding nonprofits)***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- Examined the five randomly selected employee's ethics compliance documentation maintained in personnel files with no exceptions.*
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Each employee attested in writing that they have read the entity's ethics policy.*

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#### ***Debt Service***

21. Obtain a listing of bond/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued
- Not applicable.*
22. Obtain a listing of bond/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable.*

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#### ***Other***

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

*Management represented that no misappropriations occurred during the fiscal period.*

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

*The required notice was posted on the District Attorney's premises and website.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.

A handwritten signature in blue ink that reads "Major, Morrison & David". The signature is written in a cursive, flowing style.

Major, Morrison & David  
New Roads, Louisiana  
June 1, 2020

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT  
Plaquemine, Louisiana**

**Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2019**

- 5b, 5c Employees responsible for collections at 3 of the collection locations are not responsible for preparing/making deposits nor posting them to the general ledger or subsidiary ledgers. However, collections received in the mail (other deposit collection location) at the central administrative office by the controller is reconciled, deposited, and posted to the general ledger by her, which results in a lack of segregation of duties. This is unavoidable due to the limited size of the accounting personnel of the District Attorney's office. Additional reviews by the District Attorney paying close attention to the collections and reconciliations on a regular basis minimizes any possible problems occurring.
6. The District Attorney's office accepts no actual cash (checks or money orders only), but employees at the collection locations are not bonded or insured. The District Attorney and the controller are bonded and insured and he feels that this is adequate. However, he will consider providing bonds on the other employees if cost effective.



Richard J. Ward, Jr., District Attorney  
18<sup>th</sup> Judicial District  
Plaquemine, Louisiana 70765

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District Attorney's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We believe that the deficiency referred to as item 18-1 in the following paragraph constitutes a material weakness.

Item 19-1: Lack of segregation of duties within the accounting system.  
Item 19-2: Lack of experienced personnel to prepare the financial statements.

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. We consider items 19-1 and 19-2 in the preceding paragraph to be significant deficiencies in internal control.

This communication is intended solely for the information and use of the District Attorney, management, the Legislative Auditor for the state of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Major, Morrison & David*

Major, Morrison & David  
New Roads, Louisiana  
June 1, 2020