

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
OBERLIN, LOUISIANA  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
ANNUAL FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2019

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	2 - 4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position – Governmental Activities	6
Statement of Activities – Governmental Activities	7
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	9
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
FIDUCIARY FUNDS:	
Statement of Fiduciary Net Position – Agency Funds	13
NOTES TO THE FINANCIAL STATEMENTS	15 - 40
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule:	
General Fund	42
Probation Fund	43
Intervention Fund	44
Pension Liability	
Schedule of the District Attorney’s Proportionate Share of the Net Parochial Pension Liability	45
Schedule of the District Attorney’s Contributions to Parochial Pension Plan	46
Schedule of the District Attorney’s Proportionate Share of the Net District Attorney Pension Liability	47
Schedule of the District Attorney’s Contributions to District Attorney Pension Plan	48
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	50
INDEPENDENT AUDITOR’S REPORT SECTION:	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52 - 53
Schedule of Findings & Responses	54
Status of Prior Audit Findings	55

# STEVEN M. DEROUEN & ASSOCIATES

*Certified Public Accountants*

2720 RUE DE JARDIN, STE. 300  
P. O. BOX 4265  
LAKE CHARLES, LA 70606  
(337) 513-4915 OFFICE/ (337) 205-6927 FAX  
steve@stderouencpa.com

Member American Institute of  
Certified Public Accountants

Member Louisiana Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Honorable Todd Nesom  
District Attorney of the Thirty-Third Judicial District  
Oberlin, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the 33<sup>rd</sup> Judicial District, component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney of the 33<sup>rd</sup> Judicial District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the 33<sup>rd</sup> Judicial District, 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 budgetary comparison information on pages 42 through 44 and the pension liability information on pages 45 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the 33<sup>rd</sup> Judicial District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 my opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer 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*, I have also issued my report dated August 3, 2020, on my consideration of the District Attorney of the 33<sup>rd</sup> Judicial District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the 33<sup>rd</sup> Judicial District's internal control over financial reporting and compliance.

Steven M. DeRouen & Associates

Lake Charles, Louisiana  
August 3, 2020

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2019

ASSETS	GOVERNMENTAL ACTIVITIES
Current assets:	
Cash	\$ 166,999
Investments	465,920
Prepaid expenses	10,023
Receivables:	
Other governments	55,469
Local sources	19,637
Interest	25
TOTAL CURRENT ASSETS	718,073
Noncurrent assets:	
Capital assets, net of accumulated depreciation	72,772
TOTAL ASSETS	790,845
Deferred outflows:	
Deferred outflows of resources related to pensions	333,306
TOTAL ASSETS AND DEFERRED OUTFLOWS	1,124,151
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	83,096
Unearned revenue	25,000
TOTAL CURRENT LIABILITIES	108,096
Long-term liabilities:	
Net pension liability	402,306
TOTAL LIABILITIES	510,402
Deferred inflows:	
Deferred inflows of resources related to pensions	69,570
NET POSITION:	
Net investment in capital assets	72,772
Restricted:	
Title IV	11,170
Drug Court	13,193
Victim's Assistance	16,710
Unrestricted	430,334
TOTAL NET POSITION	544,179
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 1,124,151

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Judicial Activities	\$ 1,851,380	\$ 754,788	\$ 911,402	\$ -	\$ (185,190)
Total governmental activities	\$ 1,851,380	\$ 754,788	\$ 911,402	\$ -	\$ (185,190)
GENERAL REVENUES					
					8,973
					422
					16,195
					<u>25,590</u>
					(159,600)
					703,779
					<u>\$ 544,179</u>

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**Oberlin, Louisiana**  
**Balance Sheet, Governmental Funds**  
**December 31, 2019**

	<b>MAJOR</b>				<b>TOTAL GOVERNMENTAL FUNDS</b>
	<b>GENERAL FUND</b>	<b>WORTHLESS CHECK FUND</b>	<b>PROBATION FUND</b>	<b>INTERVENTION FUND</b>	
<b>ASSETS</b>					
Cash	\$ 119,884	971	4,511	41,633	\$ 166,999
Investments	465,920	-	-	-	465,920
Prepaid expenses	10,023	-	-	-	10,023
Receivables	75,131	-	-	-	75,131
<b>TOTAL ASSETS</b>	<b>670,958</b>	<b>971</b>	<b>4,511</b>	<b>41,633</b>	<b>718,073</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	83,096	-	-	-	83,096
Unearned revenue	25,000	-	-	-	25,000
<b>Total Liabilities</b>	<b>108,096</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,096</b>
<b>Fund balances:</b>					
Nonspendable - prepaids	10,023	-	-	-	10,023
Restricted:					
S.A.N.E.	575	-	-	-	575
Title IV	11,170	-	-	-	11,170
Drug Court	13,193	-	-	-	13,193
Victim's Assistance	16,710	-	-	-	16,710
Assigned	-	971	4,511	41,633	47,115
Unassigned	511,191	-	-	-	511,191
<b>Total Fund Balances</b>	<b>562,862</b>	<b>971</b>	<b>4,511</b>	<b>41,633</b>	<b>609,977</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 670,958</b>	<b>\$ 971</b>	<b>\$ 4,511</b>	<b>\$ 41,633</b>	<b>\$ 718,073</b>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
December 31, 2019

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT DECEMBER 31, 2019	\$ 609,977
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets, net of accumulated depreciation	72,772
Net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(402,306)
Deferred outflows and inflows or resources related to pensions are applicable to Future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	333,306
Deferred inflows of resources related to pensions	<u>( 69,570)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT DECEMBER 31, 2019	<u>\$ 544,179</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2019

	MAJOR				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	WORTHLESS CHECK FUND	PROBATION FUND	INTERVENTION FUND	
<b>REVENUES</b>					
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 144,198	\$ 50,957	\$ 64,354	\$ 304,089	\$ 563,598
Intergovernmental revenues:					
Louisiana supreme court reimbursements	145,281	-	-	-	145,281
Parish police jury reimbursements	128,122	-	-	-	128,122
Parish school board	50,936	-	-	-	50,936
Federal grants	198,318	-	-	-	198,318
State revenues	30,000	-	-	-	30,000
Interest earnings	8,929	-	1	43	8,973
On-behalf payments	280,197	-	-	-	280,197
Other revenues:					
Gaming revenues	78,548	-	-	-	78,548
Worthless checks	-	191,190	-	-	191,190
Forfeitures	422	-	-	-	422
Miscellaneous	14,560	1,635	-	-	16,195
<b>TOTAL REVENUES</b>	<b>1,079,511</b>	<b>243,782</b>	<b>64,355</b>	<b>304,132</b>	<b>1,691,780</b>
<b>EXPENDITURES</b>					
Current:					
Auto expenses	10,170	-	-	-	10,170
Bank charges	-	-	-	182	182
Criminal disbursements	1,264	-	-	-	1,264
Drug education	1,770	-	-	-	1,770
Dues and subscriptions	9,593	-	-	-	9,593
Insurance	16,787	-	-	-	16,787
Intergovernmental transfers	52,285	14,553	35,476	21,987	124,301
Lace	90,718	-	-	-	90,718
Medical	1,071	-	-	-	1,071
Miscellaneous	828	1,633	2,093	-	4,554
Office	14,715	-	-	-	14,715
Postage	2,777	-	-	-	2,777
Public relations	251	-	-	-	251
Restitution	-	-	-	7,370	7,370
Salaries and benefits	1,176,442	-	-	-	1,176,442
Seminars	17,109	-	-	-	17,109
Telephone	6,662	-	-	-	6,662
Travel	807	-	-	-	807
Uniforms	699	-	-	-	699
Drug court expenditures	108,441	-	-	-	108,441
Worthless check disbursements	-	191,190	-	-	191,190
<b>TOTAL EXPENDITURES</b>	<b>1,512,389</b>	<b>207,376</b>	<b>37,569</b>	<b>29,539</b>	<b>1,786,873</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(432,878)</b>	<b>36,406</b>	<b>26,786</b>	<b>274,593</b>	<b>(95,093)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	321,946	-	-	-	321,946
Operating transfers out	-	(36,403)	(25,827)	(259,716)	(321,946)
Total other financing sources (uses)	321,946	(36,403)	(25,827)	(259,716)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(110,932)</b>	<b>3</b>	<b>959</b>	<b>14,877</b>	<b>(95,093)</b>
<b>FUND BALANCES, BEGINNING</b>	<b>673,794</b>	<b>968</b>	<b>3,552</b>	<b>26,756</b>	<b>705,070</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 562,862</b>	<b>\$ 971</b>	<b>\$ 4,511</b>	<b>\$ 41,633</b>	<b>\$ 609,977</b>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2019

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

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS INCREASE (DECREASE)	\$ (95,093)
---	-------------

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

Depreciation expense	\$ <u>(13,224)</u>	(13,224)
----------------------	--------------------	----------

Certain retirement benefits 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.

<u>(51,283)</u>
-----------------

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (159,600)</u>
--	---------------------

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Statement of Fiduciary Net Position - Agency Funds  
December 31, 2019

	<u>FORFEITURE FUND</u>	<u>TIX FUND</u>	<u>PROBATION DEBT COLLECTION FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	<u>\$ 95,893</u>	<u>\$ 897</u>	<u>\$ 989</u>	<u>\$ 97,779</u>
TOTAL ASSETS	<u>\$ 95,893</u>	<u>\$ 897</u>	<u>\$ 989</u>	<u>\$ 97,779</u>
LIABILITIES				
Due to other agencies	<u>\$ 95,893</u>	<u>\$ 897</u>	<u>\$ 989</u>	<u>\$ 97,779</u>
TOTAL LIABILITIES	<u>\$ 95,893</u>	<u>\$ 897</u>	<u>\$ 989</u>	<u>\$ 97,779</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, 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 1974, the District Attorney has charge of every criminal prosecution by the state in his district. He is also the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury, and performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of Allen, Louisiana. The District Attorney has approximately twenty-five employees.

## REPORTING ENTITY

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the district attorney was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the District Attorney of the Thirty-Third Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District Attorney of the Thirty-Third Judicial District of Allen Parish. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees and charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District Attorney considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Property taxes, reimbursements, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collector. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses), when the underlying event occurs. All other revenue items are considered to be measurable and available only when cash is received by the government. Interfund transfers are made to meet current or anticipated needs.

The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance to aid management by segregating transactions related to certain District Attorney functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the District Attorney are classified into two categories: governmental and fiduciary.

The major funds are described below:

**General Fund** - The general operating fund of the District Attorney and accounts for all financial resources, except those required to be accounted for in other funds. To account for fines collected and bonds forfeited used to operate the District Attorney's office. Also, to account for the State Department of Social Service's grant reimbursement used to fund family and child support enforcement services.

**Special Revenue Funds:**

**Worthless Checks** - To account for the collection and processing of worthless checks. Fees collected vary according to the check amount.

**Intervention** - To account for the pre-trial intervention and diversion programs. The program is offered to selected non-violent offenders as an alternative to prosecution. The revenues for this fund are derived from charges for services to participants.

**Probation** - To account for the probation program. The fund is to account for fines, court costs, and probation fees collected from individuals for the crimes they have committed.

Additionally, the District Attorney's office reports the following fund types:

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. Fiduciary funds include:

**Agency Funds:**

**Forfeiture** – To account for the collection and distribution of seized and forfeited assets.

**Tix** – To account for the collection and distribution of online payments.

**Probation Debt Collection** - To account for the collection and distribution of garnishment of taxpayers' Louisiana income tax refunds for the payment of overdue probation fees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**C. Budgets**

A budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

In December of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

There was one amendment to the General Fund during the year and the amendment is reflected in the budget comparison. There was one amendment to the Probation Fund and the Intervention Fund during the year and the amendment is reflected in the budget comparison. A budget was not prepared for the Worthless Checks Fund for 2019.

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**E. Investments**

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, which approximates fair value.

**F. Prepaid Items**

The District Attorney records as prepaid assets, expenditures during the current period that will benefit the subsequent period.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., drainage structures, bridges, and similar items), are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District Attorney has established a \$5,000 capitalization threshold.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture, fixtures and equipment	3-10 years
Vehicles	5 years

**H. Compensated Absences**

The District Attorney’s leave policy does not provide for the accumulation and vesting of leave.

**I. Deferred Outflows of Resources and Deferred Inflows of Resources**

In some instances, the GASB requires an entity to delay recognition of decreases in net position/fund balance as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position/fund balance as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

**J. Equity Classifications**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance of the governmental funds are classified as follows:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and for property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District Attorney (the District Attorney’s highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the District Attorney or by an official or body to which the District Attorney delegates the authority,
5. *Unassigned* fund balance category includes amounts that are available for any purpose and are only reported in the general fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in its commitment or assignment actions.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2019, the District Attorney did not have any committed fund balances.

**K. Estimates**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**L. Interfund Transfers**

Transfers are made into the General Fund from the Special Revenue Funds to assist in the payment of normal operating expenditures.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the District Attorney, the District Attorney’s office maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District Attorney’s office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District Attorney’s office places no limit on the amount the District Attorney’s office may invest in any one issuer.

At December 31, 2019, the District Attorney has cash and cash equivalents (book balances) totaling \$264,778 as follows:

Interest-bearing demand deposits	\$ 264,778
----------------------------------	------------

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held by the pledging financial institution’s trust department or agent, in the District Attorney’s name.

At December 31, 2019, the District Attorney had \$303,996 in deposits (collected bank balances). These deposits are secured from risk by \$303,996 of federal deposit insurance and \$297,401 of pledged securities held by the pledging financial institution’s trust department or agent, in the District’s name.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**NOTE 3 - RECEIVABLES**

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

<u>Class of Receivable</u>	<u>General Fund</u>
Federal grant	\$ 46,073
Fines and reimbursements	9,396
Interest	25
Coushatta Tribe community grant	19,637
Total	<u>\$ 75,131</u>

Most of the District Attorney’s receivables are from other governments. The District Attorney believes any uncollectible receivables, if any, would be immaterial to the financial statements.

**NOTE 4 - CHANGES IN CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ending December 31, 2019:

	<u>Building</u>	<u>Furniture, Fixtures &amp; Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Capital assets being depreciated				
Cost at December 31, 2018	\$ 120,697	\$ 81,838	\$ 72,957	\$ 275,492
Additions	-	-	-	-
Deletions	-	-	-	-
Cost at December 31, 2019	<u>120,697</u>	<u>81,838</u>	<u>72,957</u>	<u>275,492</u>
Depreciation:				
Accumulated depreciation - December 31, 2018	(46,028)	(81,838)	(61,630)	(189,496)
Additions	(3,259)	-	(9,965)	(13,224)
Deletions	-	-	-	-
Accumulated depreciation - December 31, 2019	<u>(49,287)</u>	<u>(81,838)</u>	<u>(71,595)</u>	<u>(202,720)</u>
Capital assets, net of accumulated depreciation at December 31, 2019	<u>\$ 71,410</u>	<u>\$ -</u>	<u>\$ 1,362</u>	<u>\$ 72,772</u>

Depreciation expense of \$13,224 was charged to judicial activities for the year 2019.

**NOTE 5 – INTERFUND RECIEVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund transfers for the year ending December 31, 2019 is as follows:

Interfund Transfers:

From	To	Amount
Intervention Fund	General Fund	\$ 259,716
Probation Fund	General Fund	25,827
Worthless Checks Fund	General Fund	36,403
Total		<u>\$ 321,946</u>

The District Attorney’s office makes routine transfers between funds to pay routine expenses that occur during the year.

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN**

**Plan Description**

The Parochial Employees' Retirement System of Louisiana (System) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was originally established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana.

The System provides retirement benefits to employees of any parish within the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The District Attorney is a participating member 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 the 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, justices of the peace, and parish presidents may no longer join the System.



**NOTE 6 - PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Retirement Benefits**

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

For employees hired prior to January 1, 2007:

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

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.

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

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. 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.

**NOTE 6 - PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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. Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

**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 or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (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 the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan 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 this Plan 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 the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**NOTE 6 - PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**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.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was 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 B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

**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 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. (RS 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.

**Employer Contributions**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A and 7.01% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2019 was 11.50% for Plan A and 7.50% for Plan B.

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member’s compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2019, the District Attorney reported an liability of \$250,727 for its proportionate share of the 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 (asset) was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on the employer’s projected contribution effort to the plan. The employers’ contribution effort was actuarially determined by the System’s actuary.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$96,621. At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 15,275
Net difference between projected and actual earnings on pension plan investments	120,024	-
Differences between District Attorney contributions and proportion share of contributions	30	1,986
Changes in assumptions	62,690	-
District Attorney contributions made subsequent to the measurement date	42,924	-
<b>Total</b>	<b>\$ 225,668</b>	<b>\$ 17,261</b>

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The District Attorney’s contributions during the year ended December 31, 2019, reported as deferred outflows, of \$42,924 subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$ 30,572
2021	25,074
2022	53,021
2023	56,816
2024	-
Thereafter	-

**Actuarial Methods and Assumptions**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal Actuarial
Assumptions:	
Investment Rate of Return	6.50%, net of investment expense Projected Salary
Increases	4.75% (2.40% Inflation, 2.35% Merit)
Mortality Rates	Pub-2020 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females
Expected Remaining Service Lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The discount rate used to measure the total pension liability was 6.75%. 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 the Public Retirement Systems’ Actuarial Committee. 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.

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-term rate of return is 7.43% for the year ended 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%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Normal Return		<u>7.43%</u>

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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 then 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 MP 2018 scale. For Disabled 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 net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers’ 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.

<b>Changes in Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
	5.50%	6.50%	7.50%
Net Pension Liability (Asset)	\$532,478	\$250,727	\$15,209

**Retirement System Audit Report**

The Parochial Employees’ Retirement System of Louisiana 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.gov](http://www.la.gov).

**NOTE 7 - DISTRICT ATTORNEY’S RETIREMENT SYSTEM PENSION PLAN**

**Plan Description**

The District Attorneys' 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, 1956 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.

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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 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% 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 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.



**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

Disability benefits are awarded to active contributing 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 three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

Upon the 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, contributing 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 a refund cancels all accrued rights in the System.

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five 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 a 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.

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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 three years 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 the 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, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years 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 one percent. 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.

**Employer Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. The actuarially determined employer contribution was 3.83% for the year ended June 30, 2019. For the year ending June 30, 2018, the actual employer contribution rate was 1.25%.

**Non-Employer Contributions**

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2019 and excluded from pension expense.

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Actuarial Methods and Assumptions**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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

Valuation Date	June 30, 2019 Actuarial
Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	<u>5.50% (2.40% Inflation, 3.10% Merit)</u>
Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back one year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement.
Expected Remaining	
Service Lives	7 years
Cost of Living Adjustments	Only those previously granted

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.

**NOTE 7 - DISTRICT ATTORNEY’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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 long-term rate of return is 7.56% for the year ended June 30, 2019.

The 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 were as follows:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Real Rate of Return</u>	<u>Nominal Rate of Return</u>
Equities	48.42%	10.82%	
Fixed Income	40.10%	6.36%	
Alternatives	10.99%	10.50%	
Real Estate	0.49%	0.50%	
Totals	<u>100.00%</u>		5.07%
Inflation			<u>2.49%</u>
Expected Real Rate of Return			<u>7.56%</u>

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 PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 7 - DISTRICT ATTORNEY’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers’ 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.

	Changes in Discount Rate		
	2019		
	1% Decrease <u>5.50%</u>	Current Discount Rate <u>6.50%</u>	1% Increase <u>7.50%</u>
Net Pension Liability/(Asset)	<u>\$ 412,888</u>	<u>\$ 151,579</u>	<u>\$(70,925)</u>

**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 \$151,579 for its proportionate share of the net pension liability of the District Attorneys’ Retirement System. 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 on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on the employer’s projected contribution effort to the plan. The employer’s contribution effort was actuarially determined by the System’s actuary.

**NOTE 7 - DISTRICT ATTORNEY’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$87,284, for the District Attorneys’ Retirement plan. At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 651	\$ 47,310
Net difference between projected and actual earnings on pension plan investments	21,258	-
Differences between District Attorney contributions and proportion share of contributions		
Changes in assumptions	69,038	4,999
Changes in proportion	9,492	-
District Attorney contributions made subsequent to the measurement date	7,199	-
Total	\$ 107,638	\$ 52,309

The District Attorney’s contributions to the District Attorneys’ Retirement plan during the year ended December 31, 2019, reported as deferred outflows, of \$7,199 will be recognized as a reduction of net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$ 19,613
2021	7,536
2022	9,888
2023	18,359
2024	(7,266)
Thereafter	-

**Retirement System Audit Report**

The District Attorneys’ Retirement System of Louisiana 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.la.gov](http://www.la.gov).

**NOTE 8 - RISK MANAGEMENT**

The District Attorney is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District Attorney did not reduce insurance coverage during 2019.

**NOTE 9 – CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Forfeiture Fund	\$ 92,318	\$ 5,982	\$ 2,407	\$ 95,893
Tix Fund	1,389	167,478	167,970	897
Probation Debt Collection Fund	289	5,448	4,748	989
Total Agency funds	<u>\$ 93,996</u>	<u>\$ 178,908</u>	<u>\$ 175,125</u>	<u>\$ 97,779</u>

**NOTE 10 – COMMUNITY GRANT AGREEMENT-COUSHATTA TRIBE OF LOUISIANA**

The District Attorney received \$78,548 from Coshatta Casino Resort for the year ending December 31, 2019. This revenue was deposited directly into the General Fund and was not transferred out to any other funds during the year. The District Attorney used the gaming revenue to assist with the prosecution of crimes occurring on the tribal lands and the crimes that were reasonably connected with activity occurring at the tribal-owned casino resort in Kinder, Louisiana.

**NOTE 11 – UNEARNED REVENUE**

The Allen Parish District Attorney received \$50,936 in 2019 from the Allen Parish School Board for a truancy program for the fiscal school year 2019-2020. Only \$25,936 of that revenue had been earned as of December 31, 2019. The portion that had not been earned as of December 31, 2019 was recorded as unearned revenue in the General Fund.

**NOTE 12 – LONG-TERM LIABILITIES**

	Beginning of Year	Additions	Reductions	End of Year	Amounts Due Within One Year
Net Pension Liability	\$ 106,140	\$ 296,166	\$ -0-	\$ 402,306	\$ -0-

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**NOTE 13 – DEFERRED COMPENSATION PLAN**

The District Attorney’s office offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457 (a defined contribution plan). The plan is reported as an agency fund in the State of Louisiana’s financial statements. The plan, available to all full-time District Attorney employees after six months of employment, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship. The maximum employee contribution limit is \$18,500 for all employees under the age of 50 and \$24,500 for any employee who is 50 years old or older. The maximum employer limit is \$5,000 each year. The employee contributions for 2019 were \$42,956 and the employer contribution for 2019 was \$42,082.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants’ rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, P.O. Box 94397 Baton Rouge, Louisiana 70804-9397.

**NOTE 14 – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* requires the District Attorney to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana and the Allen Parish Police Jury.

Supplementary salary and retirement payments are made by the state and parish government directly to the District Attorney and to the Assistant District Attorneys. The District Attorney’s office is not legally responsible for these salaries. Therefore, the basis for recognizing revenue and expenditure payments is the actual contributions made by the state. For the year ended December 31, 2018, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with Governmental Accounting Standards Board Statement 24, as on-behalf payments and salaries and benefit expenditures as follows:

General Fund	
State of Louisiana	\$ 239,372
Allen Parish Police Jury	40,284
Total On-Behalf Payments	<u>\$ 267,300</u>

Included in on-behalf payments are \$9,021 in retirement contributions made by the State of Louisiana and Allen Parish Police Jury to the respective Pension Plans.



DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**NOTE 15 – INVESTMENTS**

Deposits held by LAMP at December 31, 2018, consist of \$307,006 in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because investment is in the pool of funds (LAMP is a 2a7-like investment pool) and therefore not evidenced by securities that exist in physical or book entry form. Also, pooled investments are excluded from the concentration of credit risk 5 percent disclosure requirement and foreign currency risk is not applicable to 2a7-like pools.

LAMP is administrated by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. LAMP is not registered with the SEC as an investment company. LAMP's annual financial statements can be obtained from the Louisiana Legislative Auditor's website.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At December 31, 2019, the weighted-average yield on the deposits at LAMP was 2.35% and the weighted-average maturity cannot exceed 90 days. The weighted-average maturity for LAMP's total investments was 43 days as of December 31, 2019. LAMP is rated AAAm by Standard & Poors. The District does not have credit or interest rate risk policies for investments.

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines, forfeitures and other costs	\$ 217,000	\$ 207,395	\$ 144,198	\$ (63,197)
Intergovernmental revenues:				
Louisiana supreme court reimbursements	100,000	161,160	145,281	(15,879)
Parish police jury grants	165,972	147,543	128,122	(19,421)
Parish school board	50,000	50,000	50,936	936
Federal grants	209,500	261,150	198,318	(62,832)
State revenues	2,750	3,532	30,000	26,468
Interest earnings	4,250	8,929	8,929	-
On-behalf payments	267,300	267,300	280,197	12,897
Other revenues:				
Gaming revenues	80,000	78,054	78,548	494
Forfeitures	2,500	420	422	2
Miscellaneous	78,490	68,191	14,560	(53,631)
TOTAL REVENUES	<u>1,177,762</u>	<u>1,253,674</u>	<u>1,079,511</u>	<u>(174,163)</u>
EXPENDITURES				
Current:				
Auto expenses	12,000	9,725	10,170	(445)
Criminal disbursements	2,500	3,660	1,264	2,396
Drug education	1,000	-	1,770	(1,770)
Dues and subscriptions	250	66	9,593	(9,527)
Insurance	18,000	18,230	16,787	1,443
Intergovernmental transfers	121,000	83,645	52,285	31,360
Lace	100,000	90,400	90,718	(318)
Medical	700	1,070	1,071	(1)
Miscellaneous	-	2,900	828	2,072
Office	24,500	15,260	14,715	545
Postage	2,000	3,280	2,777	503
Public relations	3,500	2,020	251	1,769
Repairs	200	80	-	80
Salaries and benefits	1,117,300	1,162,460	1,176,442	(13,982)
Seminars	15,000	17,500	17,109	391
Telephone	7,000	6,150	6,662	(512)
Travel	1,000	810	807	3
Uniforms	1,000	700	699	1
Drug court expenditures	100,000	104,920	108,441	(3,521)
Capital outlay	3,000	-	-	-
TOTAL EXPENDITURES	<u>1,529,950</u>	<u>1,522,876</u>	<u>1,512,389</u>	<u>10,487</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(352,188)</u>	<u>(269,202)</u>	<u>(432,878)</u>	<u>(163,676)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	250,000	217,376	321,946	104,570
Total other financing sources (uses)	<u>250,000</u>	<u>217,376</u>	<u>321,946</u>	<u>104,570</u>
NET CHANGE IN FUND BALANCE	<u>(102,188)</u>	<u>(51,826)</u>	<u>(110,932)</u>	<u>(59,106)</u>
FUND BALANCE, BEGINNING	<u>673,794</u>	<u>673,794</u>	<u>673,794</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 571,606</u>	<u>\$ 621,968</u>	<u>\$ 562,862</u>	<u>\$ (59,106)</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2019.

All of the expenditures listed were amended more than 10%: Auto, criminal disbursements, dues and subscriptions, insurance, LACE, medical, miscellaneous, office, postage, public relations, repairs, travel, uniforms, drug court expenditures and capital outlay.

The following revenues were amended by more than 10%: Louisiana supreme cort reimbursements, state grants, state revenues, interest earnings and miscellaneous. Transfers were amended by more than 10%.

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
PROBATION FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines and other costs	\$ 69,000	\$ 64,238	\$ 64,354	\$ 116
Interest earnings	-	1	1	-
TOTAL REVENUES	<u>69,000</u>	<u>64,239</u>	<u>64,355</u>	<u>116</u>
EXPENDITURES				
Intergovernmental transfers	39,500	36,146	35,476	670
Miscellaneous	2,000	2,445	2,093	352
TOTAL EXPENDITURES	<u>41,500</u>	<u>38,591</u>	<u>37,569</u>	<u>1,022</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>27,500</u>	<u>25,648</u>	<u>26,786</u>	<u>1,138</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(27,500)	(24,805)	(25,827)	(1,022)
Total other financing sources (uses)	<u>(27,500)</u>	<u>(24,805)</u>	<u>(25,827)</u>	<u>(1,022)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>843</u>	<u>959</u>	<u>116</u>
FUND BALANCE, BEGINNING	<u>3,552</u>	<u>3,552</u>	<u>3,552</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,552</u>	<u>\$ 4,395</u>	<u>\$ 4,511</u>	<u>\$ 116</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2019. Commissions, intergovernmental transfers, miscellaneous and transfers were amended by more than 10%.

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
INTERVENTION FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines and other costs	\$ 349,400	\$ 299,956	\$ 304,089	\$ 4,133
Interest earnings	35	43	43	-
TOTAL REVENUES	<u>349,435</u>	<u>299,999</u>	<u>304,132</u>	<u>4,133</u>
EXPENDITURES				
Bank charges	250	180	182	(2)
Intergovernmental transfers	87,700	62,351	21,987	40,364
Restitution	10,000	7,370	7,370	-
TOTAL EXPENDITURES	<u>97,950</u>	<u>69,901</u>	<u>29,539</u>	<u>40,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>251,485</u>	<u>230,098</u>	<u>274,593</u>	<u>44,495</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(250,000)	(217,350)	(259,716)	(42,366)
Total other financing sources (uses)	<u>(250,000)</u>	<u>(217,350)</u>	<u>(259,716)</u>	<u>(42,366)</u>
NET CHANGE IN FUND BALANCE	<u>1,485</u>	<u>12,748</u>	<u>14,877</u>	<u>2,129</u>
FUND BALANCE, BEGINNING	<u>26,756</u>	<u>26,756</u>	<u>26,756</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 28,241</u>	<u>\$ 39,504</u>	<u>\$ 41,633</u>	<u>\$ 2,129</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2019. Commissions, interest, bank charges, intergovernmental transfers, restitution and transfers were amended more than 10%.

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

**Parochial Employees' Retirement System of Louisiana**  
**Schedule of the District Attorney's Proportionate Share of the Net Pension Liability**  
**For The Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District Attorney's proportion of the net pension liability (asset)	0.056%	0.060%	0.063%	0.061%	0.059%	0.067%
District Attorney's proportionate share of the net pension liability (asset)	\$ 250,727	\$ (44,646)	\$ 129,327	\$ 159,725	\$ 16,065	\$ 4,766
District Attorney's covered-employee payroll	\$ 373,249	\$ 347,290	\$ 370,232	\$ 372,408	\$ 347,910	\$ 342,425
District Attorney's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	67.2%	-12.9%	34.9%	42.9%	4.6%	1.4%
Plan fiduciary net position as a percentage of the total pension liability	88.83%	101.98%	94.15%	92.23%	99.14%	99.48%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

**Parochial Employees' Retirement System of Louisiana**  
**Schedule of the District Attorney's Contributions**  
**For The Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 42,924	\$ 39,938	\$ 46,279	\$ 48,413	\$ 50,447	\$ 54,788
Contributions in relation to the contractually required contribution	\$ 42,924	\$ 39,938	\$ 46,279	\$ 48,413	\$ 50,447	\$ 54,788
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District Attorney's covered-employee payroll	\$ 373,249	\$ 347,290	\$ 370,232	\$ 372,408	\$ 347,910	\$ 342,425
Contributions as a percentage of covered-employee payroll	11.5%	11.5%	12.5%	13.0%	14.5%	16.0%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

**District Attorneys' Retirement System of Louisiana**  
**Schedule of the District Attorney's Proportionate Share of the Net Pension Liability**  
**For The Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District Attorney's proportion of the net pension liability	0.468%	0.468%	0.428%	0.405%	0.073%	0.067%
District Attorney's proportionate share of the net pension liability	\$ 151,579	\$ 150,786	\$ 115,522	\$ 77,503	\$ 19,835	\$ 4,766
District Attorney's covered-employee payroll	\$ 279,931	\$ 274,626	\$ 286,179	\$ 280,037	\$ 211,960	\$ 342,425
District Attorney's proportionate share of the net pension liability as a percentage of its covered-employee payroll	54.1%	54.9%	40.4%	27.7%	9.4%	1.4%
Plan fiduciary net position as a percentage of the total pension liability	93.13%	92.92%	93.57%	99.14%	99.14%	99.48%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to the financial statements are an integral part of this statement.



**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

**District Attorneys' Retirement System of Louisiana**  
**Schedule of the District Attorney's Contributions**  
**For The Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,199	\$ 1,606	\$ -	\$ 4,867	\$ 11,128	\$ 17,709
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ 4,867	\$ 11,128	\$ 17,709
Contribution deficiency (excess)	\$ 7,199	\$ 1,606	\$ -	\$ -	\$ -	\$ -
District Attorney's covered-employee payroll	\$ 279,931	\$ 274,626	\$ 286,179	\$ 280,037	\$ 211,960	\$ 211,451
Contributions as a percentage of covered-employee payroll	2.572%	0.585%	0.000%	1.738%	5.250%	8.375%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana

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

**Agency Head Name:** Todd Nesom

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 180,000
Benefits-insurance	13,328
Benefits-retirement	9,006
Benefits-other	-
Car allowance	9,900
Vehicle provided by government	-
Per diem	1,489
Reimbursements	1,669
Travel	3,764
Registration fees	1,845
Conference travel	3,129
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Dues	485

Salary includes \$50,000 and \$37,300 of on-behalf payments from State of Louisiana and Allen Parish Policy Jury, respectively.

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION

# STEVEN M. DEROUEN & ASSOCIATES

*Certified Public Accountants*

2720 RUE DE JARDIN, STE. 300  
P. O. BOX 4265  
LAKE CHARLES, LA 70606  
(337) 513-4915 OFFICE/ (337) 205-6927 FAX  
steve@sderouen CPA.com

Member American Institute of  
Certified Public Accountants

Member Louisiana Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Todd Nesom  
District Attorney of the Thirty-Third Judicial District  
Oberlin, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the 33rd Judicial District as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney of the 33rd Judicial District's basic financial statements and have issued my report thereon dated August 3, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the District Attorney of the 33rd Judicial District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the 33rd Judicial District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the 33rd Judicial District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies. See items 2019-1 and 2019-2.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney of the 33rd Judicial District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **District Attorney of the 33rd Judicial District's Response to Findings**

The District Attorney of the 33rd Judicial District's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The District Attorney of the 33rd Judicial District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Steven M. DeRouen & Associates*

Lake Charles, Louisiana  
August 3, 2020

**District Attorney of the Thirty-Third Judicial District  
Schedule of Findings & Responses  
For the Year Ended December 31, 2019**

**2019-1 Segregation of Duties**

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Response:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**2019-2 Controls over Financial Reporting**

Condition:	In my judgment, the personnel of the Office of the District Attorney of the Thirty-Third Judicial District do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Auditing standards emphasizes that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In my judgment, due to the lack of resources available to management to correct this significant deficiency in internal control in financial reporting, I recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Response:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**District Attorney of the Thirty-Third Judicial District  
Status of Prior Audit Findings  
For the Year Ended December 31, 2019**

**2018-1 Segregation of Duties**

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.

**2018-2 Controls over Financial Reporting**

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.



# STEVEN M. DEROUEN & ASSOCIATES

*Certified Public Accountants*

2720 RUE DE JARDIN, STE. 300  
P. O. BOX 4265  
LAKE CHARLES, LA 70606  
(337) 513-4915 OFFICE/ (337) 205-6927 FAX  
steve@jderouencpa.com

Member American Institute of  
Certified Public Accountants

Member Louisiana Society of  
Certified Public Accountants

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the District Attorney of the Thirty-Third Judicial District and the Louisiana Legislative Auditor:

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

## Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
  - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
  - j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

***Finding: The District Attorney of the Thirty-Third Judicial District does not have written policies and procedures addressing the above business functions.***

***Management Response: The District does not believe it is cost effective to compose written policies and procedures but will continue to use policies currently in place.***

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*Not applicable.*

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Observation: Did not observe documentation that management has researched reconciling items over twelve months old.*

*Management's Response: The District will begin documenting reconciling items that have been outstanding for more than twelve months old.*

## Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

*There were no findings in prior year testing, therefore the above procedures are not applicable.*

## Non – Payroll Disbursements –(excluding credit card purchases/payments, and petty cash purchases)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

***Observation: The employee's responsible for processing payments are also allowed to add or modify vendor files.***

***Management's Response: Due to the limited number of administrative staff, the District Attorney does not believe it is cost effective to separate this function.***

***Observation: The employee who mails checks is also responsible for processing some payments.***

***Management's Response: Due to the limited number of administrative staff, the District Attorney does not believe it is cost effective to separate this function.***

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

***There were no observations noted resulting from the application of these procedures.***

#### Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
  - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***There were no findings in prior year testing, therefore the above procedures are not applicable.***

## Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.
21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
  - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*There were no findings in prior year testing, therefore the above procedures are not applicable.*

## Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.



23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*There were no observations noted resulting from the application of these procedures.*

#### Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*There were no findings in prior year testing, therefore the above procedures are not applicable.*

### Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

***There were no findings in prior year testing, therefore the above procedures are not applicable.***

### Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

***There were no findings in prior year testing, therefore the above procedures are not applicable.***

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

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

Steven M. DeRouen & Associates

August 3, 2020  
Lake Charles, Louisiana