
**DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT**

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

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DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Nineteenth Judicial District (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney, as of December 31, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 11 to the financial statements, the District Attorney's Office has experienced significant deficits and as a result has required a reduction of its workforce. This significantly curtailed the District Attorney's ability to continue providing public services at the expected levels. Management's evaluation of the events and conditions and management's plans regarding those matters also are described in Note 11. The financial statements do not include any adjustments as a result of this matter. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of proportionate share of the total other post-employment benefit liability, the proportionate share of the net pension liability, and the employer's contributions to retirement systems schedules on pages 4 - 10, 40 - 41, 42, 43, and 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head and the Pretrial Intervention Program – Schedule of Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head, the Pretrial Intervention Program – Schedule of Revenues and Expenses, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the Agency Head, the Pretrial Intervention Program – Schedule of Revenues and Expenses, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 19, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

This section of District Attorney's annual financial report presents a discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2019. Please read it in conjunction with the District Attorney's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District Attorney's total net position decreased by \$2.7 million over the course of this year's operations.
- Expenses for the year were \$17,549,191, a decrease of approximately \$159,000, or 0.9% as compared to the prior year.
- The General Fund reported revenues in excess of expenditures in the amount of \$194,122.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The remaining statements are fund financial statements that focus on individual funds of the District Attorney and reporting the operations in these funds in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources being held belong.

The financial statements also include notes that further explain the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District Attorney's financial statements, including the portion of the District Attorney's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Figure A-1 Major Features of District Attorney's Government and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District Attorney governmental activities (except fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary	Instances in which the District Attorney is the trustee or agent for someone else's resources, such as cash seizures
Required financial statements	<ul style="list-style-type: none">• Statement of net position• Statement of activities	<ul style="list-style-type: none">• Balance sheet• Statement of revenues, expenditures, and changes in fund balances	<ul style="list-style-type: none">• Statements of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the District Attorney's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Government-wide Statements

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

The two government-wide statements report the District Attorney's net position and change in net position. Net position—the difference between the District Attorney's assets and deferred outflows, and liabilities and deferred inflows—is one way to measure the District Attorney's financial health, or position.

- Over time, increases or decreases in the District Attorney's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements, all of the District Attorney's activities are reported as government activities:

- Governmental activities—most of the District Attorney's basic services are included here. Fines and city and state grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District Attorney's most significant funds—not the District Attorney as a whole. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants.

The District Attorney has two kinds of funds:

- Governmental funds—Most of the District Attorney's basic services are included in governmental funds, which focus on (1) cash and other financial assets that are readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it provides additional information on the subsequent page of each statement that explains the relationship (or differences) between them.
- Fiduciary funds — Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. These activities are excluded from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Governmental Activities

Net position. The District Attorney's combined net position decreased by approximately \$2.7 million or 7.3% from the net position of the previous fiscal year. The decrease is the result of operating and non-operating expenses exceeding revenues during the fiscal year ended December 31, 2019.

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

	Governmental Activities	
	2019	2018
Cash and receivables	\$ 876,291	\$ 702,435
Capital assets, net of depreciation	474,491	573,113
Total assets	1,350,782	1,275,548
Deferred outflows of resources:		
Deferred outflow amounts related to pension liability	7,291,741	5,543,636
Deferred outflow amounts related to other post-employment benefit liability	1,356,729	722,503
Total deferred outflows of resources	8,648,470	6,266,139
Account payable and other liabilities	77,577	101,708
Compensated absences	666,822	699,451
Total other post-employment benefit liability	21,183,915	25,508,992
Net pension liability	21,804,720	16,368,127
Total liabilities	43,733,034	42,678,278
Deferred inflows of resources:		
Deferred inflow amounts related to pension liability	776,559	1,573,816
Deferred inflow amounts related to other post-employment benefit liability	4,870,075	-
Total deferred inflows of resources	5,646,634	1,573,816
Net position		
Net investment in capital assets	474,491	573,113
Restricted	139,167	128,902
Unrestricted	(39,994,074)	(37,412,422)
Total net position	\$ (39,380,416)	\$ (36,710,407)

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Changes in net position. The District Attorney's total revenues increased by approximately \$536,000, or 3.7% (See Table A-2). Approximately \$5.1 million or 34% of the District Attorney's revenue comes from payments made on behalf of the District Attorney by the State of Louisiana and the City of Baton Rouge/Parish of East Baton Rouge (City-Parish) for payroll related costs. Expenses exceeded revenues by \$2,670,010 and \$3,364,613 during 2019 and 2018, respectively. The decrease in the deficiency is primarily due to increases in grants and contributions revenues as well as decreases in expenses.

Table A-2
Changes in District Attorney's Net Position

	Governmental Activities	
	2019	2018
Revenues		
Program revenues		
Charges for services	\$ 2,240,071	\$ 2,303,555
Grants and contributions	11,855,822	11,319,268
General revenues	783,289	720,655
Total revenues	<u>14,879,182</u>	<u>14,343,478</u>
Expenses		
Governmental activities	<u>17,549,191</u>	<u>17,708,091</u>
Decrease in net position	<u>\$ (2,670,009)</u>	<u>\$ (3,364,613)</u>

A further breakdown of expenses by activity is reflected in Table A-3 below:

Table A-3
Net Cost of District Attorney's Governmental Activities

	Total Cost of Services		Net of Program Revenues	
	2019	2018	2019	2018
Public safety	\$ 15,683,299	\$ 15,621,777	\$ (2,712,439)	\$ (3,271,160)
Health and Welfare	<u>1,865,892</u>	<u>2,086,314</u>	<u>(740,859)</u>	<u>(814,108)</u>
	<u>\$ 17,549,191</u>	<u>\$ 17,708,091</u>	<u>\$ (3,453,298)</u>	<u>\$ (4,085,268)</u>

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of approximately \$800,000, an increase of approximately \$200,000 from prior year. This was the result of increases in intergovernmental revenues as well as decreases in personnel payroll and related costs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

General Fund Budgetary Highlights

- Over the course of the year, the District Attorney amended its general fund budget to reflect changes in estimated revenues and personnel costs. An analysis of the original budgets compared to final amended general fund budget results is reflected in Table A-4:

**Table A-4
Original and Final Amended Budget Comparison
General Fund**

	Original Budget	Final Amended Budget	Difference
Revenue	\$ 12,390,064	\$ 13,027,757	\$ 637,693
Expenditures	12,622,537	12,660,724	(38,187)
Net expenditures	\$ (232,473)	\$ 367,033	\$ 599,506

- A comparison of the actual results to the original budget is reflected in Table A-5:

**Table A-5
Original Budget Comparison
General Fund**

	Original Budget	Actual Results	Difference
Revenue	\$ 12,390,064	\$ 13,356,221	\$ 966,157
Expenditures	12,622,537	13,224,361	(601,824)
Other financing sources	-	62,262	62,262
Net expenditures	\$ (232,473)	\$ 194,122	\$ 426,595

CAPITAL ASSETS

At the end of 2019, the District Attorney had invested \$474,491 in capital assets. (See Table A-6.)

**Table A-6
District Attorney's Capital Assets
(net of accumulated depreciation)**

	Governmental Activities	
	2019	2018
Furniture and equipment	\$ 270,902	\$ 297,126
Vehicles	203,589	275,987
Total	\$ 474,491	\$ 573,113

The decrease was primarily due to depreciation in the normal course of the assets' lives offset by capital purchases of equipment and vehicles during the year.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

LONG-TERM DEBT

The District Attorney's long-term debt consists of compensated absences, total other post-employment benefits liabilities, and net pension liability. The District Attorney had \$666,822 in compensated absences payable at year end compared to \$699,451 at the previous year end, a decrease of \$32,629, or 4.7%. The District Attorney had \$21,183,915 in total other post-employment benefits payable at year end compared to \$25,508,992 at the previous year end, a decrease of \$4,325,077, or 17.0%. The District Attorney had \$21,804,720 in net pension liability at year end compared to \$16,368,127 at the previous year end, an increase of \$5,436,593 or 33.2%. (See Table A-7.)

**Table A-7
District Attorney's Long-Term Debt**

	Governmental Activities	
	2019	2018
Compensated absences	\$ 666,822	\$ 699,451
Other post-employment benefits obligation	21,183,915	25,508,992
Net pension liability	21,804,720	16,368,127
Total	<u>\$ 43,655,457</u>	<u>\$ 42,576,570</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District Attorney is dependent on the State of Louisiana and the City of Baton Rouge for approximately 67% of its revenues. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth. In response to the recurring losses in the general fund and a deteriorating fund balance and net position, the District Attorney reduced its workforce by 19 positions or 12% during 2018. As described in note 11, these measures will have a negative impact on the District Attorney's ability to continue performing its governmental function at the current level.

COVID-19 PANDEMIC

As described in Note 12 to the financial statements, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. The pandemic has negatively impacted the global economy. Locally, funding sources, vendors and employees could be negatively impacted, all of which is uncertain and cannot be predicted.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jermaine Guillory, Chief of Administration, 222 St. Louis St., Governmental Building, 5th Floor, Baton Rouge, LA 70802.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 605,359
Receivables	270,932
Capital assets, net of accumulated depreciation	<u>474,491</u>
 TOTAL ASSETS	 <u>1,350,782</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to pension liability	7,291,741
Deferred outflow amounts related to other post-employment benefit liability	<u>1,356,729</u>
	8,648,470
<u>LIABILITIES</u>	
Accounts payable	61,605
Other liabilities	15,972
Long-term liabilities	
Due in one year:	
Accrued compensated absences	666,822
Total other post-employment benefit liability	665,000
Due in more than one year:	
Total other post-employment benefit liability	20,518,915
Net pension liability	<u>21,804,720</u>
 TOTAL LIABILITIES	 <u>43,733,034</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to pension liability	776,559
Deferred inflow amounts related to other post-employment benefit liability	<u>4,870,075</u>
	5,646,634
<u>NET POSITION</u>	
Net investment in capital assets	474,491
Restricted for grant program	139,167
Unrestricted (deficit)	<u>(39,994,074)</u>
 TOTAL NET POSITION	 <u><u>\$ (39,380,416)</u></u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
	<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Unit</u>
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
Public safety	\$ 15,683,299	\$ 2,240,071	\$ 10,730,789	\$ (2,712,439)
Health and welfare	1,865,892	-	1,125,033	(740,859)
Total governmental activities	<u>\$ 17,549,191</u>	<u>\$ 2,240,071</u>	<u>\$ 11,855,822</u>	<u>(3,453,298)</u>
General Revenues:				
Interest and investment earnings				13,126
Grants and contributions not restricted				422,587
Miscellaneous				<u>347,576</u>
Total general revenues				<u>783,289</u>
Change in net position				(2,670,009)
Net position, beginning of year				<u>(36,710,407)</u>
Net position, end of year				<u>\$ (39,380,416)</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents	\$ 440,614	\$ 164,745	\$ 605,359
Accounts receivable	213,610	57,322	270,932
Interfund receivables	83,910	5,557	89,467
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 738,134</u>	<u>\$ 227,624</u>	<u>\$ 965,758</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 58,572	\$ 3,033	\$ 61,605
Other liabilities	14,458	1,514	15,972
Interfund payables	5,557	83,910	89,467
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>78,587</u>	<u>88,457</u>	<u>167,044</u>
Fund balances:			
Spendable:			
Restricted	-	139,167	139,167
Unassigned	659,547	-	659,547
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<u>659,547</u>	<u>139,167</u>	<u>798,714</u>
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 738,134</u>	<u>\$ 227,624</u>	<u>\$ 965,758</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total fund balances - Governmental Funds	\$	798,714
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Amounts reported in the Statement of Net Position are different due to:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported in fixed assets. This is the amount of capital assets, net of accumulated depreciation, in the current period

Cost of capital assets at December 31, 2019	2,468,839	
Less: accumulated depreciation as of December 31, 2019	<u>(1,994,348)</u>	474,491

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the fund liabilities. These liabilities consist of the following:

Compensated absences	(666,822)	
Total other post-employment benefit liability	(21,183,915)	
Net pension liability	<u>(21,804,720)</u>	(43,655,457)

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. These deferrals reported on the Statement of Net Position consist of:

Deferred outflow of resources-related to net pension liability and pension contributions	7,291,741	
Deferred inflow of resources-related to net pension liability	<u>(776,559)</u>	6,515,182

An employer that participates in a stand alone post-employment benefit plan other than pension is required to recognize related expense and report its proportionate share of deferred outflows and inflows of resources. These deferrals reported on the Statement of Net Position consist of:

Deferred outflow of resources-related to total other post-employment benefit liability	1,356,729	
Deferred inflow of resources-related to total other post-employment benefit liability	<u>(4,870,075)</u>	(3,513,346)

Total Net Position for year ended December 31, 2019	\$	<u>(39,380,416)</u>
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The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Fines and forfeitures	\$ 967,365	\$ -	\$ 967,365
Interest	11,612	1,514	13,126
Intergovernmental revenue:			
Federal grants	598,221	1,125,033	1,723,254
City of Baton Rouge	7,475,913	-	7,475,913
State of Louisiana - supplemental salaries	2,336,655	-	2,336,655
State of Louisiana - victim assistance	120,000	-	120,000
Check collection fees	26,514	-	26,514
Narcotic seizure fees	126,016	-	126,016
Pre-trial intervention program fees	950,712	-	950,712
Other fees	169,464	-	169,464
Other local support	200,000	-	200,000
Other	373,749	-	373,749
TOTAL REVENUES	<u>13,356,221</u>	<u>1,126,547</u>	<u>14,482,768</u>
<u>EXPENDITURES</u>			
General government:			
Current operating:			
Personnel service	11,241,787	995,518	12,237,305
Auto and equipment	167,914	7,624	175,538
Supplies and office	548,998	12,325	561,323
Professional services	743,222	14,269	757,491
Sexual trauma support services	160,000	-	160,000
Truancy center	100,000	-	100,000
Other	134,604	24,284	158,888
Capital outlay	127,836	-	127,836
TOTAL EXPENDITURES	<u>13,224,361</u>	<u>1,054,020</u>	<u>14,278,381</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>131,860</u>	<u>72,527</u>	<u>204,387</u>
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers in/(out)	<u>62,262</u>	<u>(62,262)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>194,122</u>	<u>10,265</u>	<u>204,387</u>
Fund balances - beginning of year	<u>465,425</u>	<u>128,902</u>	<u>594,327</u>
Fund balances - end of year	<u>\$ 659,547</u>	<u>\$ 139,167</u>	<u>\$ 798,714</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net Change in fund balances - Governmental Funds	\$	204,387
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Amounts reported in the Statement of Activities are different due to:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and asset disposals exceed capital outlay in the current period

Capital outlay included in expenditures	127,836	
Loss on disposals of assets	(26,174)	
Depreciation expense for the year	<u>(206,684)</u>	(105,022)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. These expenditures consist of:

Change in compensated absences	32,629	
Net effects of changes in total post-employment benefit liability, deferred outflows, and deferred inflows.	89,228	
Net effects of changes in net pension liability, deferred outflows and deferred inflows.	<u>(2,891,231)</u>	<u>(2,769,374)</u>

Total Change in Net Position for year ended December 31, 2019	\$	<u><u>(2,670,009)</u></u>
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The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 212,448
TOTAL ASSETS	<u>212,448</u>
<u>LIABILITIES</u>	
Due to other agencies	66,158
Narcotics seizure - pending forfeitures	34,010
Due to others - bond forfeitures & restitution	<u>112,280</u>
TOTAL LIABILITIES	<u>\$ 212,448</u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Nineteenth Judicial District (District Attorney) has charge of every criminal prosecution by the State within his district, is the representative of the State before the grand jury in his district, is legal advisor to the grand jury, and performs other duties as provided by law. The Nineteenth Judicial District encompasses the Parish of East Baton Rouge, Louisiana.

A. Basis of Presentation

The District Attorney's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

B. Financial Reporting Entity

For financial reporting purposes, in conformance with governmental accounting standards, the District Attorney is a part of the district court system in the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity.

As the governing authority of the Parish, for reporting purposes, the City-Parish Consolidated Government of Baton Rouge is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the primary government is financially accountable, (c) fiscally dependent, (d) and 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 established criteria for determining which component units should be considered part of the City-Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The governmental accounting standards have set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City-Parish 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 City-Parish.
2. Organizations for which the City-Parish does not appoint a voting majority but are fiscally dependent on the City-Parish and pose a financial benefit or burden to the City-Parish.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

The District Attorney is an independently elected official. However, the District Attorney is fiscally dependent on the City-Parish.

Because the City-Parish provides a significant amount of financial revenues, the District Attorney was determined to be a component unit of the City-Parish, 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 City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions 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.

Governmental Funds

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

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11 and accounts for the operations of the District Attorney's office.

Special Revenue Fund

The Special Revenue Fund accounts for grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the Special Revenue Fund is to account for money to be used to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Fiduciary Type Funds – Agency Funds

Fiduciary fund reporting focuses on resources held for other parties. The only funds accounted for in this category by the District Attorney are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the full accrual basis of accounting. The following agency funds are utilized by the District Attorney:

Narcotic Seizure Fund

The District Attorney's Narcotic Seizure Fund is used to account for assets awarded by court judgments as a result of seizures and forfeitures of property in successfully prosecuted narcotics and other criminal investigations. The proceeds are held in custody by the District Attorney for distribution as provided under applicable Louisiana Statutes.

Defendant Restitution Fund

The District Attorney's Defendant Restitution Fund is used to account for funds awarded to a defendant by the court for restitution for costs associated with their defense. The funds are held in custody by the District Attorney for distribution until the funds are claimed by the respective defendant.

Bond Forfeiture Fund

The Bond Forfeiture Fund is used to account for the collection and disbursement of proceeds from the forfeiture of District, Parish, and City Court bail and surety bonds for failure by a defendant to appear in court. The distribution of the proceeds of the bond forfeitures is in accordance with Louisiana Revised Statute 15:571:11 (L) and (M).

D. Basis of Accounting / Measurement Focus

Government Wide Financial Statements (GWFS)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs regardless of when cash is received or disbursed. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions, are recognized in accordance with the requirements of GASB Codification Section N50, Non-exchange Transactions.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting / Measurement Focus (continued)

Fund Financial Statements (FFS)

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

Governmental Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period or 60 days. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met and the resources are measurable and available. Interest income on investments is recorded when earned. Substantially, all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, and general long-term obligations principal and interest payments are recognized only when due. Costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are reported in the period earned by employees.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

E. Budgets and Budgetary Accounting

The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District Attorney prepares operating budgets for the general and special revenue funds at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. Appropriations lapse at the end of each fiscal year.

F. Cash and Cash Equivalents

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

G. Receivables

All receivables are reported at their gross value and consist primarily of grants and fines and forfeitures. The District Attorney expects to collect all balances due to the nature of the receivables and as such no allowance for bad debts has been recorded.

H. Capital Assets

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a capitalization threshold level of \$750 or more.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are disposed or sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 7 years.

I. Compensated Absences

The District Attorney adopted a policy for vacation leave which allows a maximum of 22.5 days of vacation leave per calendar year to be earned. Employees may accumulate a maximum of 80 hours to be carried forward to a succeeding calendar year. Upon termination, employees are paid up to 80 hours of their unused vacation leave. In addition, the District Attorney adopted a policy for compensatory leave, whereby employees accrue compensatory time in lieu of overtime up to a maximum of 240 hours. Upon termination, employees are paid up to 240 hours of their unused compensatory time. Sick leave is allowed to accrue and accumulate up to a maximum of 2,080 hours. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations. Under the leave policy adopted, accrual of unused vacation leave and compensatory leave is recognized in the financial statements. However, accrual of unused sick leave is not recognized since the amount accumulated lapses upon termination.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension Plans

The District Attorney is a participating employer in two defined benefit pension plans (plans) as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

K. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 5 for additional information on deferred outflows of resources related to other post-employment benefits and Note 6 for additional information on deferred outflows of resources related to defined benefit pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. See Note 5 for additional information on deferred inflows of resources related to other post-employment benefits and Note 6 for additional information on deferred inflows of resources related to defined benefit pension plans.

L. Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

M. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position

For the government-wide statement of net position, net position amount is classified and displayed in three components:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general.

O. Fund Balance of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represent permanently nonspendable balances that are not expected to be converted to cash.

Spendable

Restricted – represent balances where constraints have been established by parties outside of the District Attorney or by enabling legislation.

Committed – represent balances where constraints have been established by formal action of the District Attorney.

Assigned – represent balances where informal constraints have been established by the District Attorney or committee or delegate thereof, but are not restricted nor committed.

Unassigned – represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the District Attorney reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the District Attorney reduces committed amounts first, followed by assigned amounts, and then unassigned amounts.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Current Accounting Standards Scheduled to be Implemented

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the District Attorney's financial report:

GASB Statement 84, Fiduciary Activities. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the District Attorney controls the assets in a fiduciary activity and (2) if there are separate identifiable beneficiaries with whom a fiduciary relationship exists. Consistent with GASB Statement 95, Postponement of the Effective Date of Certain Authoritative Guidance, this standard is effective for annual reporting periods beginning after December 15, 2019. The District Attorney will include the requirements of this standard, as applicable, in its December 31, 2020 financial statement. The effect of this standard or its applicability to the District Attorney is unknown at this time.

GASB Statement 87, Leases. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. Consistent with GASB Statement 95, Postponement of the Effective Date of Certain Authoritative Guidance, the standard is effective for annual reporting periods beginning after June 15, 2021. The District Attorney will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the District Attorney's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District Attorney is unknown at this time.

GASB Statement 95, Postponement of the Effective Date of Certain Authoritative Guidance. The statement extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The objective of the statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and is applicable to all state and local governments.

2. CASH AND CASH EQUIVALENTS

At December 31, 2019, the District Attorney had \$959,881 of deposits (collected bank balances) with local depositories. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. These deposits were secured from risk by \$427,405 of federal deposit insurance and \$663,457 of pledged securities held by the custodial banks in the name of the District Attorney.

3. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2019, includes grants revenue of approximately \$206,000, fines and forfeitures revenues of approximately \$57,700, and approximately \$7,200 in other revenues.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

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

	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of capital assets, December 31, 2018	\$ 1,882,148	\$ 493,840	\$ 2,375,988
Additions	90,437	37,399	127,836
Deletions	<u>-</u>	<u>(34,985)</u>	<u>(34,985)</u>
Cost of capital assets, December 31, 2019	<u>1,972,585</u>	<u>496,254</u>	<u>2,468,839</u>
Accumulated depreciation, December 31, 2018	1,585,022	217,853	1,802,875
Additions	116,661	90,023	206,684
Deletions	<u>-</u>	<u>(15,211)</u>	<u>(15,211)</u>
Accumulated depreciation, December 31, 2019	<u>1,701,683</u>	<u>292,665</u>	<u>1,994,348</u>
Capital assets, net of accumulated depreciation, at December 31, 2019	<u>\$ 270,902</u>	<u>\$ 203,589</u>	<u>\$ 474,491</u>

Depreciation expense of \$206,684 for the year ended December 31, 2019 was charged to the following governmental functions:

Public safety	\$ 197,604
Health and welfare	<u>9,080</u>
	<u>\$ 206,684</u>

5. TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

OPEB Plan for the City-Parish

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney of the Nineteenth Judicial District, the Nineteenth Judicial District Court, the East Baton Rouge Parish Family Court, and the East Baton Rouge Parish Juvenile Court discretely presented component units may at their option, participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan Description

The City-Parish OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report.

Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his or her coverage paying the same premiums and receiving the same benefits as active employees.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (continued)

The City-Parish pays the following percentages of the employer portion of scheduled premiums on employees hired after January 1, 2004:

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Current Funding policy

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During the measurement period, the dental plan was funded with employees and retirees contributing 48% of the dental premium and the City-Parish contributing 52% of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During the measurement period, employees and retirees contributed 11% - 40% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The City-Parish and component unit employers contributed the corresponding 60% - 89% of the premium base. Effective January 1, 2004, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The District Attorney's portion of the annually adopted premium base is paid by the City-Parish on behalf of the District Attorney. These contributions for the past three years is as follows:

2019	\$	665,510
2018		614,400
2017		602,850

Total OPEB Liability

The District Attorney's proportional share (2.07%) of the total OPEB liability of \$21,183,915 was measured as of December 31, 2018, and was determined by an actuarial valuation date of December 31, 2018. The proportion of the total OPEB liability was based on a percentage of annualized active payroll in proportion to total annualized active payroll for all participating employers. The District Attorney's proportionate share decreased from 2.49% to 2.07% since the prior measurement period.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (continued)

Actuarial Assumptions

Inflation	2.30%
Salary Increases	3.00% per annum average, compounded annually
Discount Rate	4.10% based on the Bond Buyers 20 year bond general obligation index
Mortality	RP-2014 Mortality adjusted to 2006 w/ Generational Projection p/ Scale MP-2018
Healthcare Cost Trend Rate	
Medical	
Medicare Eligible	5.6% for 2019, gradually decreasing to an ultimate rate of 3.9% for 2097 & beyond
Non-Medicare Eligible	4.9% for 2019, gradually decreasing to an ultimate rate of 4.0% for 2078 & beyond
Medicare Advantage	7.4% for 2019, gradually decreasing to an ultimate rate of 4.1% for 2097 & beyond
Dental	3.92% for 2019, gradually decreasing to an ultimate rate of 3.77% for 2075 & beyond
Retirement Rates	CPERS participants assumed to retire as follows: Non-Fire – the earlier of 25.5 years of service or age 61 and 11 years of service Fire – the earlier of 26 years of service or age 61 and 11 years of service

Sample rates for MPERS participants are as follows:

<u>Age</u>	<u>Rate</u>
47 – 49	20.5%
50	22.5
51	20.0
52 – 53	22.0
54	23.5
55	42.5
56	22.5
57 – 58	17.0
59	19.0
60 – 65	26.0
66+	100.0

Sensitivity of the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District Attorney's proportionate share (2.07%), as well as what the District Attorney's total OPEB liability would be if it were using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate;

	1.0% Decrease (3.10%)	Current Discount Rate (4.10%)	1.0% Increase (5.10%)
Total OPEB liability	\$ 25,601,395	\$ 21,183,915	\$ 17,820,313

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (continued)

Sensitivity of the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District Attorney's proportionate share (2.07%), as well as what the District Attorney's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease	Current Trend Rate	1.0% Increase
Total OPEB liability	\$ 17,748,230	\$ 21,183,915	\$ 25,704,730

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended December 31, 2019, the District Attorney's proportionate share (2.07%) of recognized OPEB expense of \$576,282. At December 31, 2019, the District Attorney's proportionate share (2.07%) reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 639,152	\$ -
Changes in assumptions	52,067	(1,755,426)
Changes in proportion	-	(3,144,649)
Employer payments for OPEB as benefits come due subsequent to measurement date of total OPEB liability	665,510	-
Total	\$ 1,356,729	\$ (4,870,075)

The \$665,510 of deferred outflows of resources resulting from the benefit payments subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability during the year ending December 31, 2020. These payments are paid on behalf of the District Attorney by the City-Parish.

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

Years ending December 31:	
2020	\$ (1,613,108)
2021	(1,613,108)
2022	(962,491)
2023	9,851
	\$ (4,178,856)

The amount of total OPEB liability estimated to be due and payable within one year is \$665,000.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) and the District Attorneys' Retirement System (DARS) (hereinafter referred to cumulatively as Plans or Systems). The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge maintains the authority to establish and amend plan benefits for the CPERS plan. The CPERS plan is a component unit of the City-Parish. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of DARS to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. These reports may be obtained by writing, calling or downloading the reports as follows:

CPERS:
209 Saint Ferdinand St.
Baton Rouge, Louisiana 70802
(225) 389-3272
www.brgov.com/dept/ers

DARS:
1645 Nicholson Drive.
Baton Rouge, LA 70802-8143
(225) 267-4824
www.ladars.org

Plan Descriptions:

City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)

The Retirement System is a cost sharing multiple employer defined benefit pension plan and is governed by a seven-member Board of Trustees. The Board is responsible for administering the assets of the Retirement System and for making policy decisions regarding investments. The Metropolitan Council maintains the authority to establish and amend plan benefits. Substantially all full-time non-police employees of the City-Parish and other member employers are covered by the Retirement System. The Retirement System actuarially determines the contributions required to fund the plan and collects the contributions as a percentage of payroll each payroll period. The Retirement System exists for the sole benefit of current and former employees of the member employers.

District Attorneys' Retirement System (DARS)

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan and is governed by a Board of Trustees. The pension plan was established in 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.

Funding Policy

CPERS plan members contributed a percentage of their annual covered salary, which is stipulated in Part IV, Subpart 2, Sec. 1:264(A) 1 (b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the CPERS's actuary. The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge has authority over to determine employee contributions to CPERS.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Funding Policy (continued)

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions to DARS. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the Plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2019, for the District Attorney and covered employees were as follows:

	<u>District Attorney</u>	<u>Employees</u>
DARS	2.625% Blended	8.00%
CPERS	35.100% Blended	9.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
DARS	\$ 46,900	\$ 15,778	\$ -
CPERS	1,084,563	1,174,881	1,052,130

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

The following schedule lists the District Attorney's proportionate share of the Net Pension Liability allocated by each of the pension plans as of the respective measurement dates for each plan. The District Attorney uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2019, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement dates along with the change compared to the immediately prior measurement date. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Measurement Date</u>	<u>Net Pension Liability at Measurement Date</u>	<u>Rate at Measurement Date</u>	<u>Increase (Decrease) to Prior Year Rate</u>
DARS	June 30, 2019	\$ 1,336,813	4.155424%	(0.371888%)
CPERS	December 31, 2018	20,467,907	2.790704%	(0.005813%)
		<u>\$ 21,804,720</u>		

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

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

The following schedule lists each pension plan's recognized pension expense for the year ended December 31, 2019:

	<u>Pension Expense</u>
DARS	\$ 750,804
CPERS	<u>3,709,149</u>
	<u>\$ 4,459,953</u>

At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 854,031	\$ (417,241)
Changes of assumptions	1,271,443	(44,090)
Net difference between projected and actual earnings on pension plan investments	2,525,484	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	1,508,433	(77,672)
Difference in contributions	977	(237,556)
Employer contributions subsequent to the measurement date	<u>1,131,373</u>	<u>-</u>
Total	<u>\$ 7,291,741</u>	<u>\$ (776,559)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
DARS	\$ 914,618	\$ (540,623)
CPERS	<u>6,377,123</u>	<u>(235,936)</u>
Total	<u>\$ 7,291,741</u>	<u>\$ (776,559)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

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

The District Attorney reported a total of \$1,131,373 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in net pension liability in the year ended December 31, 2020. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
DARS	\$ 46,810
CPERS	1,084,563
	<u>\$ 1,131,373</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferral Period	DARS	CPERS	Total
2020	\$ 153,318	\$ 2,112,435	\$ 2,265,753
2021	40,289	1,418,316	1,458,605
2022	61,032	677,493	738,525
2023	147,795	848,380	996,175
2024	(75,249)	-	(75,249)
	<u>\$ 327,185</u>	<u>\$ 5,056,624</u>	<u>\$ 5,383,809</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of the measurement period for each plan are as follows:

	CPERS		DARS
Valuation Date	December 31, 2018		June 30, 2019
Actuarial Cost Method	Entry Age Normal		Entry Age Normal
Actuarial Assumptions:			
Expected Remaining			
Service Lives	4 years		6 years
Investment Rate	7.25% net of investment expenses		6.50% net of investment expenses
of Return			
Inflation Rate	2.75% per annum		2.40%
Mortality	RP-2000 Healthy Combined Blue Collar Projected to 2019 using Scale BB. RP-2000 Disabled Mortality Projected to 2019 using Scale BB.		RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using scale AA were selected for employees, annuitants, and beneficiaries mortality. RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
Salary Increases	<i>Age</i>	<i>Regular EEs</i>	5.50%
	30	2.50%	
	35	1.50%	
	40	1.25%	
	45	0.75%	
	50	0.50%	
	55	0.00%	
Cost of Living Adjustments	None		Only those previously granted.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Actuarial Assumptions (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

CPERS	DARS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are included in the following table:	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 following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of the measurement period date for each respective plan:

Asset Class	Long-Term Target Asset Allocation		Expected Portfolio Real Rate of Return	
	CPERS	DARS	CPERS	DARS
Equities	45.0%	48.42%	5.00%	5.13%
Fixed income	30.0%	40.10%	2.01%	1.65%
Alternatives	20.0%	10.99%	4.17%	0.78%
Real assets	5.0%	0.49%	4.11%	0.00%
Total	100.0%	100.0%	3.89%	5.07%
Inflation				2.49%
Expected Arithmetic Nominal Return				7.56%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan'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 discount rate used to measure the total pension liability for CPERS and DARS was 7.04% and 6.50%, for each Plan's measurement period year ended December 31, 2018, and June 30, 2019, respectively.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District Attorney's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the District Attorney's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
DARS			
Rates	5.50%	6.50%	7.50%
District Attorney's Share of NPL	\$ 3,641,352	\$ 1,336,813	\$ (625,503)
CPERS			
Rates	6.04%	7.04%	8.04%
District Attorney's Share of NPL	\$ 25,097,507	\$ 20,467,907	\$ 16,587,681

Special Funding Situation

A special funding situation is defined as circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan.

Louisiana Revised Statute 16:10 – 11 stipulates that certain salary amounts for District Attorneys (DAs) and Assistant District Attorneys (ADAs) are payable by the State of Louisiana (State). Further, the total employer contributions allocable to that portion of the respective DAs and ADAs salaries are paid directly to DARS by the State. The State's proportionate share of the collective net pension liability of DARS associated with the District Attorney of the Nineteenth Judicial District Attorney is approximately \$1,228,000. This allocated share of the State's net pension liability is not recognized in the District Attorney's net pension liability.

7. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

In accordance with government accounting standards, the District Attorney recognizes on-behalf payments made by the City-Parish or the State of Louisiana for operational costs of the District Attorney. These costs include salary and fringe benefits, and other operating costs. The District Attorney recognizes these payments as revenue and corresponding expenses in the financial statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS (continued)

For the year ended December 31, 2019, the District Attorney recorded on-behalf payments from the following sources:

City-Parish of East Baton Rouge	
Pensions	\$ 958,265
Insurance	1,101,002
Postemployment benefits	665,510
Other	22,912
Total	<u>\$ 2,747,689</u>
State of Louisiana	
Salaries	\$ 2,244,963
Retirement	59,158
Payroll taxes	32,534
Total	<u>\$ 2,336,655</u>

8. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2019, the District Attorney expended \$1,125,033 in reimbursable payments.

The reimbursable payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include a budget of expected expenditures for each fiscal year ending December 31. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

Other programs are funded by the U. S. Department of Justice totaling \$598,221, which are passed through the Louisiana Commission of Law Enforcement. These programs are funded by reimbursements with certain matching requirements ranging from 0% to 25% to be funded by the District Attorney.

The District Attorney's federal assistance is contingent on the District Attorney maintaining compliance with applicable compliance requirements of the respective grants. Failure to maintain compliance or to correct noncompliance within a specified time period could also result in disallowed costs and could in turn result in amounts owed to the grantor agency.

9. CONTINGENCIES

Various lawsuits are pending against the District Attorney. In the opinion of the District Attorney's management, the potential loss on lawsuits will not be material to the District Attorney's basic financial statements.

10. RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; health insurance for its employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance for each type of risk to which it is exposed. Settlements have not exceeded insurance coverage in any of the three preceding years.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

11. DISTRICT ATTORNEY'S ABILITY TO CONTINUE PROVIDING PUBLIC SERVICES AT THE CURRENT LEVEL

The District Attorney has historically sustained deficient revenues in the General Fund. As a result of cost cutting measures and a reduction of the workforce, revenues exceeded expenditures only minimally, by approximately \$194,000 in the current year. The City-Parish reimburses the District Attorney for salary and benefit costs paid by the District Attorney's general fund. However, when these reimbursements exceed the City-Parish's budgeted support for the District Attorney, the funding effectively stops. The relative declining support for salary and benefit costs is the primary reason for the recurring deficit spending in previous years.

Salary costs for the District Attorney's office are driven by variable factors affecting attorney and investigator salaries and the caseload. The District Attorney adjusts compensation and staff levels commensurate with these factors. The District Attorney has maintained communications with the Mayor-President and the City-Parish Metropolitan Council about the deteriorating financial position of the General Fund. All parties understand that the City-Parish is responsible under State law for funding the reasonable and necessary expenses of the District Attorney's office. In addition, all parties are well aware that the District Attorney has had to use its general fund balance to satisfy existing shortfalls between City-Parish financial contributions and the actual salary and benefit costs of the District Attorney employees. Since 2015, the District Attorney has provided the City-Parish with an annual notice that the District Attorney's general fund, fund balance is reaching dangerously low levels.

In addition to continuing negotiations with the City-Parish, the District Attorney has responded to the deteriorating financial condition by reducing the workforce and vehicle fleet costs. During 2018, the workforce was reduced by 19 positions or 12% and the vehicle fleet was reduced by 9 vehicles or 33%. Of the 19 positions reduced, 8 were Assistant District Attorneys (ADA). This represents a 15% reduction in ADAs. These measures had an impact on the current year with a reduction of personnel and vehicle fleet expenditures by approximately \$400,000 in 2019. Additional cuts in personnel costs may be required. The primary effect has been a reduction in courtroom staffing of attorneys to a level that the District Attorney's office has not experienced since the 1980's. Management believes this is not a sustainable level. This could significantly curtail the District Attorney's ability to continue performing its governmental function at the current level.

12. COMPENSATED ABSENCE LIABILITY

At December 31, 2019, employees of the District Attorney have accumulated and vested \$666,822 of employee leave benefits according to the District Attorney's policy, which were computed in accordance with GASB Classification Section C60. The following is a summary of the compensated absence liability activity during the year:

	Compensated Absences
Beginning Balance	\$ 699,451
Additions (amounts earned)	641,146
Deductions (amounts paid)	(673,775)
Ending Balance	<u>\$ 666,822</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

13. SUBSEQUENT EVENTS

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the District Attorney's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the City-Parish and other governmental entities, vendors and employees, all of which are uncertain and cannot be predicted. The extent to which the COVID-19 pandemic may directly or indirectly impact the District Attorney's financial condition or results of operations cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Fines and forfeitures	\$ 985,000	\$ 995,000	\$ 967,365	\$ (27,635)
Interest	2,000	11,000	11,612	612
Intergovernmental revenue:				
Federal grants	550,000	550,000	598,221	48,221
City of Baton Rouge	6,972,670	7,222,670	7,475,913	253,243
State of Louisiana	2,444,894	2,372,837	2,456,655	83,818
Check collection fees	50,000	26,000	26,514	514
Narcotic seizure fees	150,000	110,000	126,016	16,016
Pre-trial intervention program fees	1,000,000	960,000	950,712	(9,288)
Other	235,500	780,250	743,213	(37,037)
Total Revenues	<u>12,390,064</u>	<u>13,027,757</u>	<u>13,356,221</u>	<u>328,464</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	10,800,537	10,843,587	11,241,787	(398,200)
Auto and equipment	295,400	202,116	167,914	34,202
Supplies and office	500,150	357,970	548,998	(191,028)
Professional services	444,500	699,550	743,222	(43,672)
Other	531,950	479,420	394,604	84,816
Capital outlay	50,000	78,081	127,836	(49,755)
Total Expenditures	<u>12,622,537</u>	<u>12,660,724</u>	<u>13,224,361</u>	<u>(563,637)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(232,473)</u>	<u>367,033</u>	<u>131,860</u>	<u>(235,173)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in/(out)	<u>-</u>	<u>-</u>	<u>62,262</u>	<u>62,262</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(232,473)</u>	<u>367,033</u>	<u>194,122</u>	<u>(172,911)</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>639,032</u>	<u>465,425</u>	<u>465,425</u>	<u>-</u>
End of year	<u>\$ 406,559</u>	<u>\$ 832,458</u>	<u>\$ 659,547</u>	<u>\$ (172,911)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

CHILD SUPPORT ENFORCEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Interest	\$ -	\$ -	\$ 1,514	\$ 1,514
Intergovernmental revenue:				
Louisiana Department of Social Services	1,468,409	1,468,409	1,125,033	(343,376)
Total Revenues	<u>1,468,409</u>	<u>1,468,409</u>	<u>1,126,547</u>	<u>(341,862)</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	1,468,409	1,493,409	995,518	497,891
Auto and equipment	-	-	7,624	(7,624)
Supplies and office	-	-	12,325	(12,325)
Professional services	-	-	14,269	(14,269)
Other	-	-	24,284	(24,284)
Capital outlay	-	-	-	-
Total Expenditures	<u>1,468,409</u>	<u>1,493,409</u>	<u>1,054,020</u>	<u>439,389</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>(25,000)</u>	<u>72,527</u>	<u>97,527</u>
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers in/(out)	-	-	(62,262)	(62,262)
<u>NET CHANGE IN FUND BALANCE</u>	<u>-</u>	<u>(25,000)</u>	<u>10,265</u>	<u>35,265</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>237,957</u>	<u>128,902</u>	<u>128,902</u>	<u>-</u>
End of year	<u>\$ 237,957</u>	<u>\$ 103,902</u>	<u>\$ 139,167</u>	<u>\$ 35,265</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL OTHER
POST-EMPLOYMENT BENEFIT LIABILITY**

<u>OPEB Plan</u>	<u>*Fiscal year ending December 31,</u>	<u>Proportion of total OPEB liability</u>	<u>Proportionate share of total OPEB liability</u>	<u>Covered- employee payroll</u>	<u>Proportionate share of the total OPEB liability as a percentage of its covered employee payroll</u>
City-Parish Plan	2019	2.07%	\$ 21,183,915	\$ 6,352,589	333.47%
City-Parish Plan	2018	2.49%	\$ 25,508,992	\$ 6,416,235	397.57%

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

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

Changes in assumptions -

Discount rate as of 12/31/2017 was 3.44%.

Discount rate as of 12/31/2018 was 4.10%.

** The following amounts are reported as of the measurement date which is 12 months prior to the fiscal year end.*

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019 (*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)						
	2019	2.7907%	\$ 20,467,907	\$ 3,742,807	546.8598%	59.36%
	2018	2.7849%	14,911,275	3,640,874	409.5521%	68.80%
	2017	2.2565%	13,409,150	3,249,903	412.6015%	64.09%
	2016	2.1643%	12,483,496	3,101,168	402.5418%	63.95%
	2015	2.3037%	10,130,058	3,129,883	323.6561%	70.90%
District Attorneys' Retirement System (DARS)						
	2019	4.1554%	\$ 1,336,813	\$ 2,351,239	56.8557%	93.13%
	2018	4.5273%	1,456,852	2,775,361	52.4923%	92.92%
	2017	4.4542%	1,201,381	2,676,412	44.8877%	93.57%
	2016	4.0390%	773,096	2,507,093	30.8364%	95.09%
	2015	4.2494%	228,896	2,486,191	9.2067%	98.56%

Schedule is intended to show 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 end as follows:

CPERS - December 31

DARS - June 30

Changes in assumptions - discount rate

	CPERS	DARS
2019	7.04%	6.50%
2018	7.25%	6.50%
2017	7.25%	6.75%
2016	7.25%	7.00%
2015	7.50%	7.00%

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO RETIREMENT SYSTEMS
FOR THE YEAR ENDED DECEMBER 31, 2019

Pension Plan	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)						
	2019	\$ 1,084,563	\$ 1,084,563	\$ -	\$ 3,510,775	30.8924%
	2018	1,174,881	1,174,881	-	3,742,807	31.3904%
	2017	1,052,130	1,052,130	-	3,640,874	28.8977%
	2016	884,258	884,258	-	3,249,903	27.2088%
	2015	820,232	820,232	-	3,101,168	26.4491%
District Attorneys' Retirement System (DARS)						
	2019	\$ 46,900	\$ 46,900	\$ -	\$ 2,351,239	1.9947%
	2018	15,778	15,778	-	2,614,860	0.6034%
	2017	-	-	-	2,814,164	0.0000%
	2016	43,328	43,328	-	2,522,052	1.7180%
	2015	132,135	132,135	-	2,521,506	5.2403%

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

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll

² Actual employer contributions remitted to Retirement Systems

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2019

District Attorney Hillar Moore

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 181,000
Benefits-insurance	14,519
Benefits-retirement	2,481
Phone allowance	1,300
Vehicle provided by government	9,750
Vehicle maintenance allowance	1,200
Per diem	952
	<u>\$ 211,202</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

PRETRIAL INTERVENTION PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUES

Charges for services	\$ 950,712
Other Fees	15,032
Total operating revenues	<u>965,744</u>

EXPENDITURES

Salaries	486,413
Employee benefits	240,812
Payroll taxes	6,067
Workers' comp	(1,012)
Insurance	3,548
Utilities	17,446
Professional services	43,197
Repairs and maintenance	1,274
Supplies	4,299
Printing	1,260
Telephone	3,579
Internet	672
Dues and conferences	960
Travel	1,155
Translation	70
Capital outlay	5,682
Total operating expenditures	<u>815,422</u>

Net revenues (expenditures)	<u>\$ 150,322</u>
-----------------------------	-------------------

In accordance with the Louisiana Revised Statute 16:17, The surplus generated from administering the PTI program is used to fund the victims assistance programs.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND BY
UNIFORM GUIDANCE

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

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Nineteenth Judicial District (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 19, 2020.

Internal Control Over Financial Reporting

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

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 District Attorney's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 19, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Nineteenth Judicial District's (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District Attorney's major federal program for the year ended December 31, 2019. The District Attorney's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Major Federal Program

In our opinion, the District Attorney complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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



Baton Rouge, Louisiana
June 19, 2020

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RELATED NOTES
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Federal Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services Passed Through the <u>Louisiana Department of Social Services</u>			
Child Support Enforcement Title IV-D	93.563	DSS #723533	\$ <u>1,125,033</u>
U.S. Department of Justice Passed Through <u>Louisiana Commission of Law Enforcement</u>			
Crime Victim Assistance	16.575	4316	45,000
Crime Victim Assistance	16.575	4326	164,240
Crime Victim Assistance	16.575	4327	<u>192,518</u>
			401,758
Violence Against Women Formula Grant	16.588	4696	<u>22,613</u>
Bulletproof Vest Partnership	16.607	N/A	1,589
Smart Prosecution Initiative	16.825	2018-YX-BX-0003	103,048
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DG-BX-0008	<u>69,213</u>
			173,850
Total Federal Expenditures			\$ <u>1,723,254</u>

Note A – Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of District Attorney of the Nineteenth Judicial District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards*.

Note B – Reconciliation to Financial Statements

Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with revenue reported. The revenues for the Title IV-D program are reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances as \$1,125,033 in the Special Revenue Fund and the remaining law enforcement grant revenues totaling \$598,221 are reflected in the General Fund.

Note C – De-Minimis Indirect Cost Rate

The District Attorney applies for a calculated indirect cost rate and has elected not to use the 10% de-minimis indirect cost rate.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516(a)?

_____ yes X no

Identification of major programs:

CFDA Numbers
93.563

Name of Federal Program or Cluster
Title IV-D

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The District Attorney was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings – Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs

None.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL
DISTRICT**

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2019



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the
Nineteenth Judicial District
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by District Attorney of the Nineteenth Judicial District Attorney (the District Attorney) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The District Attorney'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, we make no representation regarding the sufficiency of the procedures described in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated exceptions are summarized in the attached Schedule A, which is an integral part of this report.

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

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 19, 2020

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues or an explanation of why the procedure was not applicable. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "*procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney*" is indicated.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- 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.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- c) **Disbursements**, including processing, reviewing, and approving

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

Written Policies and Procedures (continued)

- 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.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- 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.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- 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.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure is not applicable to entities managed by a single elected official. The District Attorney is a single elected official who manages the District Attorney's office. As such, this procedure is not applicable.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure is not applicable to entities managed by a single elected official. The District Attorney is a single elected official who manages the District Attorney's office. As such, this procedure is not applicable.

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

Procedure is not applicable to entities managed by a single elected official. The District Attorney is a single elected official who manages the District Attorney's office. As such, this procedure is not applicable.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

A listing of bank accounts was provided and included a total of 10 bank accounts. Management identified the entity's main operating account. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending August 31, 2019, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

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

No exceptions noted.

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

Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

Collections

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

A listing of deposit sites was provided and included a total of 2 deposit sites. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we randomly selected the 2 deposit sites and performed the procedures below.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

Collections (continued)

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

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 5 collection locations. A signed representation by management was obtained on the completeness of the listing provided.

From each of the listings provided, we randomly selected one collection location for each deposit site.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

For 1 of the 2 locations selected for our procedures, one location, the employees responsible for cash collections share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

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

The District Attorney stated that no employees who have access to cash are bonded and/or covered under the District Attorney's insurance policy.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

Collections (continued)

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for each of the 5 bank accounts selected in procedure #3. For 2 of the 5 bank accounts selected, there was only 1 deposit for the month randomly selected. We obtained supporting documentation for each of the deposits selected and performed the procedures below.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

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

No exceptions noted.

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

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

The listing of locations that process payments for the fiscal period was provided and include one location. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we selected the one location and performed the procedures below.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
DECEMBER 31, 2019**

Schedule A

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

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. A signed representation by management was obtained on the completeness of the listing provided.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

The District Attorney's purchasing policy does not utilize a purchase order system nor does it require two employees to be involved in initiating a request, approving a purchase, and placing an order/making the purchase. To mitigate the lack of a purchase order system, dual signatures are required on all checks and monthly budget to actual comparisons are reviewed by the Chief of Administration.

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

No exceptions noted.

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

The Finance Director and Grants Manager are responsible for processing payments and both have the ability to add / modify vendors in the accounting system. The financial policy stipulates that only the Finance Director has the authority to set up vendors in the accounting system.

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

The Finance Director, not an authorized signer, is responsible for processing payments and mailing signed checks.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED RESULTS
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Schedule A

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

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

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. A signed representation by management was obtained on the completeness of the listing provided.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Based on testing performed we noted the same exceptions identified at 9a, 9c and 9d for all 5 disbursements tested.

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

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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Schedule A

Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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Schedule A

Travel and Travel-Related Expense Reimbursements (excluding card transactions) (continued)

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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Schedule A

Contracts (continued)

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided and included a total of 174 employees. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. For 1 of the 5 employees selected for testing, paid salary did not agree to authorized salary in the personnel file.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

No exceptions noted.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions noted.

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Schedule A

Payroll and Personnel (continued)

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Procedure not applicable as no leave was taken during the period.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

A listing of employees/officials receiving termination payments during the fiscal period was provided and included a total of 9 employees. A signed representation by management was obtained on the completeness of the listing provided.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.

- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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Schedule A

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Not applicable as not debt was issued during the current year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable as not debt was issued during the current year.

Other

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

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

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the District Attorney.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
DECEMBER 31, 2019**

Schedule B

The District Attorney of the Nineteenth Judicial District (District Attorney) provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below.

Bank Reconciliations

The District Attorney will implement new documentation standards by September 30, 2020 that evidence the review of outstanding checks that were outstanding for more than 12 months at least annually.

Collections

The District Attorney acknowledges that employees share cash drawers/registers and that employees who have access to cash are not bonded or covered by the District Attorney's insurance policy. The District Attorney will develop/write new or amended procedures by September 30, 2020 stating that an annual assessment of the volume and risk, as well as mitigating controls over collections will be completed to determine the need for bonding employees and increasing the number of cash drawers/registers.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

The District Attorney acknowledges that a purchase order system is not utilized and that individuals who are responsible for processing payments have access to add/modify vendors in the accounting system. The District Attorney further acknowledges that the finance director who processes payments also mails signed checks. It should be noted that invoices are approved prior to payment. In addition, mitigating controls include requiring dual signatures on all checks and a budget to actual comparison performed periodically by the Chief of Administration. The District Attorney will develop/write new or amended procedures by September 30, 2020 stating that an annual assessment of the volume and risk, as well as mitigating controls over disbursements will be completed to determine the need to implement a formal purchase order system and/or shift responsibilities to segregate duties further.

Payroll and Personnel

The District Attorney acknowledges that testing reflected a single employee's actual annual pay did not agree to their authorized salary. Once the isolated error was identified, the employee was immediately paid. The amount, less than \$600, was deemed immaterial to the financial statements as a whole and the error was deemed an isolated event and not control related. The District Attorney will continue to monitor payroll controls already in place to ensure all employees are paid at the authorized rates.