

**BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

December 31, 2019

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Annual Financial Statements
As of and for the Year Ended December 31, 2019
With Supplemental Information Schedules

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DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Annual Financial Statements
As of and for the Year Ended December 31, 2019
With Supplemental Information Schedules

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*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

Honorable Michael C. Cassidy
District Attorney of the Thirty-First Judicial District
Parish of Jefferson Davis, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Thirty-First Judicial District, as of December 31, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I express no such
Honorable Michael C. Cassidy

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of compensation and benefits paid to the District Attorney are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and District Attorney's compensation and benefits 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*, I have also issued a report dated June 22, 2020, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Handwritten signature in blue ink that reads "J. Aaron Cooper, CPA, LLC".

June 22, 2020

BASIC FINANCIAL STATEMENTS

STATEMENT A

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Statement of Net Position

December 31, 2019

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 1,323,509
Due from other governmental units	141,417
Interfund receivables	9,872
Prepaid expenses	1,752
Capital assets (net)	65,418
TOTAL ASSETS	1,541,968
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	397,149
LIABILITIES	
Accounts payable	15,007
Payroll deductions and accrued benefits payable	27,883
Due to other governments	41,263
Interfund payables	9,737
Net pension liability	472,348
TOTAL LIABILITIES	566,238
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	77,800
NET POSITION	
Invested in capital assets, net of related debt	65,418
Restricted for:	
IV-D Program	21,838
Unrestricted	1,207,823
TOTAL NET POSITION	\$ 1,295,079

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

STATEMENT B

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Statement of Activities

For the Year Ended December 31, 2019

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Use	Operating Grants and Contributions	
Governmental Activities				
Judicial activities	\$ 2,084,776	\$ 372,479	\$ 1,454,454	\$ (257,843)
General Revenues:				
Investment earnings				9,682
Other miscellaneous earnings				3,040
Total general revenues				12,722
Change in Net Position				(245,121)
Net Position-beginning				1,540,199
Net Position-ending				\$ 1,295,078

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

STATEMENT C

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Balance Sheet-Governmental Funds

December 31, 2019

	General Fund	Drug Forfeiture Fund	Pretrial Intervention Fund	Other Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 381,949	\$ 369,801	\$ 483,598	\$ 88,161	\$ 1,323,509
Due from other governments	133,567	-	-	7,850	141,417
Interfund receivables	9,737	-	-	135	9,872
Prepaid expenses	1,752	-	-	-	1,752
Total Assets	<u>\$ 527,005</u>	<u>\$ 369,801</u>	<u>\$ 483,598</u>	<u>\$ 96,146</u>	<u>\$ 1,476,550</u>
LIABILITIES					
Accounts payable	\$ 15,007	\$ -	\$ -	\$ -	\$ 15,007
Payroll deductions and accrued benefits payable	26,990	-	-	893	27,883
Due to other governments	40,490	-	773	-	41,263
Interfund payables	-	-	2,153	7,584	9,737
Total Liabilities	<u>82,487</u>	<u>-</u>	<u>2,926</u>	<u>8,477</u>	<u>93,890</u>
FUND BALANCES					
Restricted:					
IV-D Fund Activity	-	-	-	21,838	21,838
Assigned	-	-	-	65,831	65,831
Unassigned	444,518	369,801	480,672	-	1,294,991
Total Fund Balances	<u>444,518</u>	<u>369,801</u>	<u>480,672</u>	<u>87,669</u>	<u>1,382,660</u>
Total Liabilities and Fund Balances	<u>\$ 527,005</u>	<u>\$ 369,801</u>	<u>\$ 483,598</u>	<u>\$ 96,146</u>	<u>\$ 1,476,550</u>

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

STATEMENT D

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

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

December 31, 2019

Fund Balances, Total Governmental Funds (Statement C) \$ 1,382,660

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the governmental
funds.

Capital Assets	\$ 341,174	
Less: Accumulated Depreciation	<u>(275,756)</u>	65,418

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

Net Pension Liability	(472,348)
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Deferred Outflows of Resources:

Pension related deferrals	397,149
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Deferred Inflows of Resources:

Pension related deferrals	<u>(77,800)</u>
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Net Position of Governmental Activities (Statement A)	<u>\$ 1,295,079</u>
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The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2019

	General Fund	Drug Forfeiture Fund	Pretrial Intervention Fund	Other Funds	Total Governmental Funds
REVENUES					
Commissions on fines and forfeitures	\$ 258,758	\$ 5,326	\$ 13,252	\$ 3,457	\$ 280,793
Intergovernmental revenues:					
Federal	82,800	-	-	64,315	147,115
State	265,826	-	-	33,132	298,958
Parish	769,009	-	-	-	769,009
Charges for services	-	-	91,686	-	91,686
On-behalf payments	239,372	-	-	-	239,372
Interest earnings	3,995	4,616	-	1,071	9,682
Other revenues	3,040	-	-	-	3,040
Total Revenues	<u>1,622,800</u>	<u>9,942</u>	<u>104,938</u>	<u>101,975</u>	<u>1,839,655</u>
EXPENDITURES					
Current:					
General government - judicial:					
Salaries and related benefits	1,319,944	-	-	46,189	1,366,133
Advertising, dues and subscriptions	34,492	-	-	-	34,492
Communications	-	-	-	455	455
Anti-drug programs and advertising	-	6,409	4,191	-	10,600
Repairs and maintenance	6,352	-	-	-	6,352
Professional services	61,149	-	-	2,900	64,049
Insurance	7,929	-	-	-	7,929
Office supplies	19,007	-	5	902	19,914
Operating supplies/programs	142,981	-	-	-	142,981
Travel and professional development	11,267	-	-	-	11,267
Intergovernmental expenditures:					
Distributions to other governments-LACE	295,921	-	2,297	-	298,218
Capital outlay	32,548	-	-	-	32,548
Total Expenditures - Judicial:	<u>1,931,590</u>	<u>6,409</u>	<u>6,493</u>	<u>50,446</u>	<u>1,994,938</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(308,790)</u>	<u>3,533</u>	<u>98,445</u>	<u>51,529</u>	<u>(155,283)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	375,576	-	71,440	4,000	451,016
Operating transfers out	(75,440)	-	(323,866)	(51,710)	(451,016)
Total Other Financing Sources and (Uses)	<u>300,136</u>	<u>-</u>	<u>(252,426)</u>	<u>(47,710)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(8,654)	3,533	(153,981)	3,819	(155,283)
FUND BALANCES-BEGINNING OF YEAR	453,172	366,268	634,653	83,850	1,537,943
FUND BALANCES-END OF YEAR	<u>\$ 444,518</u>	<u>\$ 369,801</u>	<u>\$ 480,672</u>	<u>\$ 87,669</u>	<u>\$ 1,382,660</u>

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

STATEMENT F

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

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

For the Year Ended December 31, 2019

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	(155,283)
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Amounts reported for governmental activities
in the Statement of Activities are different because:

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

Capital outlay	\$ 32,548	
Depreciation	<u>(22,174)</u>	10,374

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

Net change in pension expense		<u>(100,211)</u>
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Change in Net Position of Governmental Activities, Statement B	\$	<u>(245,120)</u>
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The accompanying notes are an integral part of this financial statement.

STATEMENT G

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Statement of Fiduciary Net Position

December 31, 2019

	ASSETS	<u>TOTAL AGENCY FUNDS</u>
Cash and cash equivalents		<u>\$ 42,953</u>
TOTAL ASSETS		<u><u>\$ 42,953</u></u>
	LIABILITIES	
Due to others		\$ 42,818
Interfund payables		<u>135</u>
TOTAL LIABILITIES		<u><u>\$ 42,953</u></u>

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements

For the Year Ended December 31, 2019

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of Jefferson Davis and the office is located in the parish courthouse in the City of Jennings, Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

For financial reporting purposes, in conformance with Government Accounting Standards Board (GASB) Codification Section 2100, the District Attorney is a part of the district court system of the State of Louisiana. The GASB has established several criteria for determine the governmental reporting entity and component units that should be included within the reporting entity.

Financial accountability is determined by applying criteria established by the GASB as listed below:

- Financial benefit or burden
- Appointment of a voting majority
- Imposition of will
- Fiscally dependent

Certain transactions between the District Attorney and the Jefferson Davis Parish Police Jury are mandated by state statute and do not reflect fiscal dependency; they do not reflect financial accountability. The other three criteria of financial accountability do not pertain to the District Attorney when applying them as a means of identifying potential component units of the Jefferson Davis Parish Police Jury.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

B. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. GASB is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

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*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The District Attorney adopted Governmental Accounting Standards Board Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Collectively, these statements changed the government-wide Statements of Net Assets from three elements to five, adding deferred outflows and deferred inflows and renamed it to the Statement of Net Position. Certain items previously reported as assets and liabilities such as loan organization fees and non-exchange revenue for future periods are reclassified to deferred outflows or inflows, or are no longer carried on the Statement of Net Position.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District Attorney. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

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

The net costs (by function) are normally covered by general revenue (interest earned, etc.). This government-wide focus is more on the sustainability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities.

Fund Financial Statements (FFS)

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as a separate column in the fund financial statements.

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.

The following fund types are used by the District Attorney:

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

The following are the District Attorney's major governmental funds:

General Fund - The primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy. The General Fund was established in compliance

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

Drug Forfeiture Special Revenue Fund - The Drug Forfeiture Special Revenue Fund consists of 20% of the fines collected and bonds forfeited under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 as prescribed under LRS 40:2616. At the discretion of the District Attorney, these funds are put in this special revenue fund instead of the general fund as allowed by law. As provided by LRS 40:2616, these funds can be used for public purposes including, but not limited to, prosecution, rewards, support, and continuing legal education in furtherance of Chapter 26 Title 40.

Pre-Trial Intervention Special Revenue Fund - The Pre-Trial Intervention Special Revenue Fund was established by the District Attorney to isolate the program revenues and expenditures. The program is a diversion program which is offered to selected non-violent offenders as an alternative to prosecution. Participants receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. The revenues for this fund are derived from charges for services to participants and operating transfers from other funds of the District Attorney.

Additionally, the following are the District Attorney's nonmajor governmental funds:

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

Title IV-D Special Revenue Fund - The Title IV-D Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975 and Federal grants passed through the Louisiana Commission on Law Enforcement, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

Fiduciary Funds: Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District Attorney's fiduciary funds include:

Escrow Agency Fund - The Escrow Agency Fund was created to account for collections by the District Attorney's office which are to be distributed to other agencies and victims of crimes.

Drug Asset Seizure Agency Fund - The Drug Asset Seizure Agency fund was established in compliance with Louisiana Revised Statute 40:2616, which provides that the proceeds of any sale and any monies forfeited or obtained by judgment or settlement under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 shall be deposited into a special trust fund until the court determines equitable distribution of these funds.

The law provides that the District Attorney shall administer expenditures from this fund in the following priority:

- For satisfaction of any bona fide security interest or lien.
- Thereafter, for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, and court costs.
- The remaining funds are to be allocated 60% to the law enforcement agency or agencies making the seizure, 20% to the criminal court fund, and 20% to the District Attorney's office.

Worthless Check Escrow Agency Fund - This fund was established to account for collections of worthless check restitution and fees to be distributed to victims and other government agencies.

C. 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 and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

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 financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and Agency 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 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. The District Attorney generally considers revenue as available if it is collected within 60 days of the end of the fiscal year. 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. Costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due. Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

D. Cash, Cash Equivalents, and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less. 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 principal offices in Louisiana. Investments may include instruments or obligations issued by the United States Government or its agencies, or any other federally-issued investment.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 since the District Attorney does not have a formal investment policy. Funds which are available for investment and above immediate cash requirements can be invested in statutorily-sanctioned investments including direct U.S. Treasury obligations, bonds, debentures, notes, or certificates issued by or guaranteed by federal agencies, or time certificate of deposit in any bank domiciled or have a branch office in Louisiana or any other

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

federally-insured investment. Statutorily-sanctioned investments also include funds invested with external local government investment pools such as Louisiana Asset Management Pool.

When investments are present in the financial statements they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting/or Certain Investments and for External Investment Pools*:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money-market investments and participating interest-earning investment contracts that have remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

E. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result from goods provided or services rendered in amounts owed between funds. These receivables and payables are classified as interfund receivable/payables on the Funds Financial Statement (FPS) balance sheet. Short-term interfund loans are also classified as interfund receivables/payables. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund and are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

F. Estimates

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

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PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

G. Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payable were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities.

H. Subsequent Events

Subsequent events were evaluated through June 22, 2020, which is the date the financial statements were available to be issued. Management determined that no events occurred that require disclosure.

I. Risk Management

The District Attorney's office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney carries commercial insurance for errors and omissions. All other risks of loss are covered by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

J. Capital Assets

In the fund financial statements, the cost of acquiring capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing capital assets. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred.

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of asset is as follows:

Vehicles	5 years
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

K. Compensated Absences

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

Vacations

Clerical personnel are granted ten working days per year for the first through the fifth year of service, fifteen working days per year for the sixth through the twelfth year; and twenty working days per year for service beyond twelve years. Primarily all of the clerical personnel's salaries are paid by the police jury's criminal court fund. This part of the vacation liability applies to the police jury and not the District Attorney's office. However, vacation time must be taken before the end of the year or it is forfeited. The District Attorney does not allow vacation time to accumulate or vest beyond year end.

All District Attorneys and the administrative and investigative assistants are authorized ten working days per year for the first year of service, then fifteen working days per year for the second through tenth year of service; and twenty-five days per year after ten years of service.

Vacation time must be used before the end of the year or it is forfeited. The District Attorney does not allow vacation time to accumulate or vest beyond year end.

Sick Leave

Each employee shall accrue sick leave at the rate of one day per month the first five years, and then one-and-a-half days per month for all years thereafter. Accumulated sick leave cannot exceed 35 days. Employees cannot be paid for accrued sick leave when they resign, retire or are terminated.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure in the governmental funds when the leave is actually taken. As of December 31, 2018, the District Attorney did not have a liability for accrued vacation leave

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

since this benefit does not vest past year end. Therefore the financial statements do not contain a liability for unpaid vacation pay. This District Attorney does not accrue a liability for nonvesting accumulating rights to receive sick pay benefits as allowed by GASB C60.61 l.

L. Fund Equity

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

- a. *Invested in capital assets, net of related debt* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted Net Position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the District Attorney's policy to use restricted resources first, then unrestricted resources as needed. In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

- a. *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* - amounts that can be used only for specific purposes determined by a formal decision of the District Attorney, which is the highest level of decision-making authority for the District Attorney of the Thirty-First Judicial District.

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

- d. *Assigned* – spendable amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. *Unassigned* - all other spendable amounts.

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

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District Attorney, which are either unusual in nature or infrequent in occurrence.

2. DEPOSITS AND INVESTMENTS

Cash and equivalents include demand deposits and certificates of deposit at local financial institutions with a carrying value of \$1,140,773 and investments in external investment pools with a carrying value of \$225,689 at December 31, 2019. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2019, the District Attorney's bank balances of \$1,124,451 were insured by Federal Deposit Insurance Corporation (FDIC) (Category 1) in the amount of \$630,914 with the remaining \$493,537 collateralized by pledged securities. Therefore, the District Attorney was not exposed to custodial credit risk at December 31, 2019.

Louisiana Asset Management Pool (LAMP), a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

securities issued, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purpose of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

3. DUE FROM OTHER GOVERNMENTS

Accounts receivable at year end are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Title IV-D Fund</u>	<u>Total</u>
Due from other governments:			
Operating Subsidies	\$ 63,177	\$ 7,850	\$ 71,027
Criminal Court Fines (Lace)	54,240	-	54,240
Victim Assistance Program	16,150	-	16,150
	<u>\$ 133,567</u>	<u>\$ 7,850</u>	<u>\$ 141,417</u>

4. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at year end are as follows:

Fund due to:	<u>Due from</u>			<u>Total</u>
	<u>Title IV-D</u>	<u>Pretrial Intervention</u>	<u>Agency Fund</u>	
General Fund	\$ 7,584	\$ 2,153	\$ -	\$ 9,737
Others Funds	-	-	135	135
	<u>\$ 7,584</u>	<u>\$ 2,153</u>	<u>\$ 135</u>	<u>\$ 9,872</u>

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

5. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets:				
Vehicles	\$ 102,769	\$ 31,175	\$ 21,798	\$ 112,146
Improvements	107,536	-	-	107,536
Equipment and furniture	112,549	1,373	-	113,922
Other	7,570	-	-	7,570
Total capital assets	<u>330,424</u>	<u>32,548</u>	<u>21,798</u>	<u>341,174</u>
Less accumulated depreciation:				
Vehicles	73,664	15,587	21,798	67,453
Improvements	88,045	3,525	-	91,570
Equipment and furniture	106,301	2,987	-	109,288
Other	7,370	75	-	7,445
Total accumulated depreciation	<u>275,380</u>	<u>22,174</u>	<u>21,798</u>	<u>275,756</u>
Capital assets - net	<u>\$ 55,044</u>	<u>\$ 10,374</u>	<u>\$ -</u>	<u>\$ 65,418</u>

Depreciation expense of \$22,174 was charged to judiciary government function.

6. CHANGES IN AGENCY DEPOSITS DUE TO OTHERS

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

	Escrow Fund	Drug Asset Seizure Fund	Worthless Checks Escrow Fund	Total
Balances, December 31, 2018	\$ 36,234	\$ 6,804	\$ 497	\$ 43,535
Additions:	53,111	30,262	14,946	98,319
Reductions:	(55,906)	(27,815)	(15,180)	(98,901)
Balances, December 31, 2019	<u>\$ 33,439</u>	<u>\$ 9,251</u>	<u>\$ 263</u>	<u>\$ 42,953</u>

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PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

7. PENSION PLANS

A. Louisiana District Attorney's Retirement System

Plan Description. The District Attorneys' Retirement System, State of Louisiana, is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established 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.

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

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

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

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years

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PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

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

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

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

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

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

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

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116- 2091, or by calling (504) 947-5551.

Funding Policy. Plan members are required by state statute to contribute 8% percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. Contributions to the System also include .2% of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. For the year ended December 31, 2019, the actual employer contribution rate was 1.25% from July 1, 2018 through December 31, 2019. The District Attorney's member contributions to the System for the years ending December 31, 2019, 2018, and 2017, were \$29,439, \$24,125 and \$19,505, respectively; equal to the required contributions for each year.

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PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The District Attorney's proportionate share of the Net Pension Liability is allocated based on the June 30, 2019, measurement date. The District Attorney uses this method 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 at December 31, 2019, along with the change compared to the December 31, 2018 rate. The District Attorney's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at December 31, 2019</u>	<u>Rate at December 31, 2019</u>	<u>Increase (Decrease) to December 31, 2018</u>
District Attorney's Retirement System	\$ 143,000	0.0445%	0.0042%

The following lists the District Attorney's recognized pension expense for the Louisiana District Attorney's Retirement System:

District Attorney's Retirement System	\$ 77,965
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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>
District Attorney's Retirement System		
Differences between expected and actual experience	\$ 615	\$ (44,633)
Change of assumptions	65,131	(4,716)
Net difference between projected and actual earnings on pension plan investments	20,054	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,682	(8,059)
Employer contributions subsequent to the measurement date	8,065	-
Total	<u>\$ 102,547</u>	<u>\$ (57,408)</u>

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

The District Attorney reported a total of \$8,065 as deferred outflow or resources related to pension contributions made subsequent to the measurement period of June 30, 2019. Employers were not required to make contributions through June 2018. Beginning July 2018, employers were required to contribute 1.25%.

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

	<u>Year</u>	<u>Amount</u>
District Attorney's Retirement System	2020	\$ 15,480
	2021	4,301
	2022	6,520
	2023	16,559
	2024	<u>(5,786)</u>
		<u>\$ 37,074</u>

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA for employees, annuitant, and beneficiaries. RP 2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) was selected for disabled annuitants.
Expected Remaining Service Lives	6 years
Cost-of-Living Adjustments	Only those previously granted

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

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

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.56% for the year ended June 30, 2019.

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019 were as follows:

Asset Class	Long-Term Target Asset Allocation	Rates of Return	
		Real	Nominal
Equities	48.42%	5.13%	
Fixed Income	40.10%	1.65%	
Alternatives	10.99%	0.78%	
Cash	0.49%	0.00%	
Totals	<u>100.00%</u>		5.07%
Inflation			<u>2.49%</u>
Expected Nominal Rate of Return			<u>7.56%</u>

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

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the District Attorney calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

	Changes in Discount Rate		
	2019		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability/(Asset)	<u>\$389,519</u>	<u>\$143,000</u>	<u>(\$66,911)</u>

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Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

Payables to Pension Plan: The District Attorney recorded accrued liabilities to the System for the year ended December 31, 2019. The amount due was \$3,163, which is made up of employee and employer contributions.

B. Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description. Substantially all employees of the District Attorney's office, exclusive of the District Attorney and the assistant District Attorneys, are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the District Attorney are members of Plan A.

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

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

are limited to specified amounts.

Deferred Retirement Option Plan (DROP) Benefits: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for members who are eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

and married not less than twelve (12) months immediately preceding death of the member shall be paid an Option 2 benefit beginning at age 50.

Cost-of-Living Increases: The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost-of-living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost-of-living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

Contributions: According to state statute, contributions for all employers are actuarially determined each year. The District Attorney's contractually required contribution rate for the year ended December 31, 2018, was 9.99% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. However, the actual rate for the fiscal year ending December 31, 2018 was 11.5%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Contributions to the pension plan from the District Attorney were \$52,461 for the year ended December 31, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The District Attorney's proportionate share of the Net Pension Liability is allocated based on the December 31, 2018 measurement date. The District Attorney uses this method 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 at December 31, 2019, along with the change compared to the December 31, 2018 rate. 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.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

	Net Pension Liability at December 31, 2019	Rate at December 31, 2019	Increase (Decrease) to December 31, 2018
District Attorney's Retirement System	\$ 329,348	0.0742%	(0.0017%)

The following lists the District Attorney's recognized pension expense for the Parochial Employees' Retirement System of Louisiana:

District Attorney's Retirement System	\$ 128,103
---------------------------------------	------------

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District Attorney's Retirement System		
Differences between expected and actual experience	\$ -	\$ (20,065)
Change of assumptions	82,348	-
Net difference between projected and actual earnings on pension plan investments	157,660	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	666	(327)
Employer contributions subsequent to the measurement date	53,928	-
Total	\$ 294,602	\$ (20,392)

Deferred outflows of resources of \$53,928 related to PERS resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2019.

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

	Year	Amount
District Attorney's Retirement System	2019	\$ 75,636
	2020	41,220
	2021	33,779
	2022	69,647
		\$ 220,282

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability of PERS as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Expecting Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 4.75%
Costs-of-Living Adjustment	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.40%

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.43%</u>

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

to the Pub-2010 Public Retirement Plans Mortality Table for Healthy retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2010 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Changes in Discount Rate: The following presents the District Attorney's proportionate share of the PERS net pension liability calculated using the discount rate of 6.50%, as well as what the District Attorney's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	PLAN A		
	Changes in Discount Rate		
	2019		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.50%	6.50%	7.50%
Net Pension Liability/(Asset)	<u>\$699,448</u>	<u>\$ 329,348</u>	<u>\$19,978</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org or www.la.state.la.us.

Payables to Pension Plan: The District Attorney recorded accrued liabilities to the System for the year ended December 31, 2019. The amount due was \$21,868, which included both employer and employee contributions.

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

The District Attorney's offices are located in the Jefferson Davis Parish courthouse. The Jefferson Davis Parish Police Jury pays for the upkeep and maintenance of the courthouse. The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the parish governing bodies or directly by the state.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

9. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

The Jefferson Davis Parish Police Jury's General Fund and Criminal Court Fund and the State of Louisiana pay a portion of the salaries and benefits of the District Attorney's office. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with Governmental Accounting Standards Board Statement 24, as intergovernmental revenues and expenditures as follows:

Intergovernmental Revenues:

State	\$ 239,372
Parish	771,687
Total	<u>\$ 1,011,059</u>

Expenditures:

Salaries and related benefits	\$ 873,053
Office expenditures	138,006
	<u>\$ 1,011,059</u>

The above amounts include \$53,928, paid to the Parochial Employees' Retirement System of Louisiana for pension contributions for the District Attorney's employees.

10. CONTINGENCIES

The District Attorney participates in a number of federal and state financial assistance programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the District Attorney feels such amounts, if any, would be immaterial to the financial statements. Accounts receivable for related amounts at year end amounted to \$26,296.

11. RELATED PARTY TRANSACTIONS

Certain operating expenditures of the District Attorney's office have been reimbursed by the Jefferson Davis Parish Police Jury, as required by Louisiana law, and are included in the accompanying financial statements as expenditures. The reimbursements paid by the Police Jury are recorded as intergovernmental revenue in the accompanying financial statements. These expenditures include among other things the provision of office facilities including utilities and insurance. (See Note 9)

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2019

12. LEASES AND COMMITMENTS

The District Attorney's office currently leases certain office equipment and signage. These leases have been classified as operating leases and, as such, rental payments have been recorded as an operating expenditure. Total rent expense for the year ended December 31, 2019 was \$10,979.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
General Fund

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Commissions on fines and forfeitures	\$ 95,000	\$ 242,177	\$ 258,758	\$ 16,581
Intergovernmental revenues:				
Federal	-	-	82,800	82,800
State	275,000	357,108	265,826	(91,282)
Parish	700,000	977,520	769,009	(208,511)
On-behalf payments	-	-	239,372	239,372
Interest earnings	3,000	3,700	3,995	295
Other revenues	500	3,040	3,040	-
Total revenues	<u>1,073,500</u>	<u>1,583,545</u>	<u>1,622,800</u>	<u>39,255</u>
EXPENDITURES				
Current:				
General government-Judicial:				
Salaries and related benefits	1,350,000	1,371,728	1,319,944	51,784
Advertising, dues and subscriptions	36,000	36,000	34,492	1,508
Communications	500	500	-	500
Repairs and maintenance	10,000	6,000	6,352	(352)
Professional services	65,000	35,000	61,149	(26,149)
Insurance	12,000	10,000	7,929	2,070
Office supplies	17,000	13,500	19,007	(5,507)
Operating supplies	6,500	4,500	142,981	(138,481)
Travel and professional development	16,000	14,000	11,267	2,733
Other expenditures	2,000	2,000	-	2,000
Intergovernmental expenditures:				
Distributions to other governments-LACE	135,000	455,000	295,921	159,079
Capital outlay	2,000	36,000	32,548	3,452
Total expenditures	<u>1,652,000</u>	<u>1,984,228</u>	<u>1,931,590</u>	<u>52,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(578,500)</u>	<u>(400,683)</u>	<u>(308,790)</u>	<u>91,893</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	448,000	299,000	375,576	76,576
Operating transfers out	-	(72,400)	(75,440)	(3,040)
Total other financing sources (uses)	<u>448,000</u>	<u>226,600</u>	<u>300,136</u>	<u>73,536</u>
NET CHANGE IN FUND BALANCE	<u>(130,500)</u>	<u>(174,083)</u>	<u>(8,654)</u>	<u>165,429</u>
FUND BALANCE-BEGINNING OF YEAR	<u>453,172</u>	<u>453,172</u>	<u>453,172</u>	<u>-</u>
FUND BALANCE-END OF YEAR	<u>\$ 322,672</u>	<u>\$ 279,089</u>	<u>\$ 444,518</u>	<u>\$ 165,429</u>

The accompanying notes are an integral part of this schedule.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
Special Revenue Fund - Drug Forfeiture Fund**

For the Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Commissions on fines and forfeitures	\$ 10,000	\$ 6,500	\$ 5,326	\$ (1,174)
Interest earnings	500	4,400	4,616	216
Total revenues	<u>10,500</u>	<u>10,900</u>	<u>9,942</u>	<u>(958)</u>
EXPENDITURES				
Current:				
General government-Judicial:				
Anti-drug programs and advertising	10,000	2,000	6,409	(4,409)
Professional services	500	500	-	500
Office supplies	1,000	1,000	-	1,000
Operating supplies	500	-	-	-
Travel and professional development	500	-	-	-
Other expenditures	4,000	6,000	-	6,000
Total expenditures	<u>16,500</u>	<u>9,500</u>	<u>6,409</u>	<u>3,091</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,000)</u>	<u>1,400</u>	<u>3,533</u>	<u>2,133</u>
NET CHANGE IN FUND BALANCE	<u>(6,000)</u>	<u>1,400</u>	<u>3,533</u>	<u>2,133</u>
FUND BALANCE-BEGINNING OF YEAR	<u>366,268</u>	<u>366,268</u>	<u>366,268</u>	<u>-</u>
FUND BALANCE-END OF YEAR	<u>\$ 360,268</u>	<u>\$ 367,668</u>	<u>\$ 369,801</u>	<u>\$ 2,133</u>

The accompanying notes are an integral part of this schedule.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
Special Revenue Fund - Pretrial Intervention Fund**

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Commissions on fines and forfeitures	\$ 900,000	\$ 12,500	\$ 13,252	\$ 752
Charges for services	100,000	98,000	91,686	(6,314)
Total revenues	<u>1,000,000</u>	<u>110,500</u>	<u>104,938</u>	<u>(5,562)</u>
EXPENDITURES				
Current:				
General government-Judicial:				
Anti-drug programs and advertising	-	-	4,191	(4,191)
Professional services	21,500	-	-	-
Office supplies	3,200	2,000	5	1,995
Other expenditures	5,000	2,000	-	2,000
Intergovernmental expenditures:				
Distributions to other governments-LACE	300,000	-	2,297	(2,297)
Distributions to other governments-JSA	100,000	-	-	-
Total expenditures	<u>429,700</u>	<u>4,000</u>	<u>6,493</u>	<u>(2,493)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>570,300</u>	<u>106,500</u>	<u>98,445</u>	<u>(8,055)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	71,400	71,440	40
Operating transfers out	(400,000)	(250,000)	(323,866)	(73,866)
Total other financing sources (uses)	<u>(400,000)</u>	<u>(178,600)</u>	<u>(252,426)</u>	<u>(73,826)</u>
NET CHANGE IN FUND BALANCE	170,300	(72,100)	(153,981)	(81,881)
FUND BALANCE-BEGINNING OF YEAR	<u>634,653</u>	<u>634,653</u>	<u>634,653</u>	<u>-</u>
FUND BALANCE-END OF YEAR	<u>\$ 804,953</u>	<u>\$ 562,553</u>	<u>\$ 480,672</u>	<u>\$ (81,881)</u>

The accompanying notes are an integral part of this schedule.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT

Notes to Budgetary Comparison Schedules

For the Year Ended December 31, 2019

A. BUDGETARY PRACTICES

General Budget Practices: The District Attorney follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 36:1301-1314), the District Attorney is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the District Attorney develops a proposed annual budget for the general fund and all special revenue funds. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. At the conclusion of the public hearing the budget is adopted by the District Attorney through a formal budget resolution.

Appropriations (unexpended budget balances) lapse at the end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is not employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the District Attorney.

Budget Basis of Accounting: All governmental fund budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the District Attorney cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the District Attorney to amend the budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The District Attorney approves budgets at the object level and management is allowed to transfer amounts between line items within an object. The District Attorney's office amends its budget during the year to account for unanticipated changes in the original budget.

SUPPLEMENTARY INFORMATION

SCHEDULE 4

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

December 31, 2019

	Worthless Check fund	Title IV-D	Total Governmental Funds
ASSETS			
Cash	\$ 65,696	\$ 22,465	\$ 88,161
Due from other governments	-	7,850	7,850
Due from other funds	135	-	135
	\$ 65,831	\$ 30,315	\$ 96,146
 LIABILITIES AND FUND BALANCES			
Payroll deductions, withholdings, and accrued salaries payable	\$ -	\$ 893	\$ 893
Interfund payables	-	7,584	7,584
Total Liabilities	-	8,477	8,477
 FUND BALANCES			
Restricted	-	21,838	21,838
Assigned	65,831	-	65,831
Total Fund Balances	65,831	21,838	87,669
 TOTAL LIABILITIES AND FUND BALANCES	\$ 65,831	\$ 30,315	\$ 96,146

SCHEDULE 5

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds**

For the Year Ended December 31, 2019

	Worthless Check Fund	Title IV-D	Total
REVENUES			
Commissions on fines and forfeitures	\$ 3,457	\$ -	\$ 3,457
Intergovernmental revenues:			
Federal	-	64,315	64,315
State	-	33,132	33,132
Interest earnings	1,019	52	1,071
Total Revenues	4,476	97,499	101,975
EXPENDITURES			
Current:			
General government - Judicial:			
Salaries and related benefits	-	46,189	46,189
Communications	-	455	455
Professional services	-	2,900	2,900
Office supplies	-	902	902
Total Expenditures - Judicial:	-	50,446	50,446
EXCESS OF REVENUES OVER EXPENDITURES	4,476	47,053	51,529
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	4,000	4,000
Operating transfers out	-	(51,710)	(51,710)
Total Other Financing Sources and (Uses)	-	(47,710)	(47,710)
NET CHANGES IN FUND BALANCES	4,476	(657)	3,819
FUND BALANCES-BEGINNING OF YEAR	61,355	22,495	83,850
FUND BALANCES-END OF YEAR	\$ 65,831	\$ 21,838	\$ 87,669

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
 PARISH OF JEFFERSON DAVIS, LOUISIANA

Combining Balance Sheet
 Agency Funds

December 31, 2019

	Escrow Fund	Drug Asset Seizure Fund	Worthless Checks Escrow Fund	Total
ASSETS				
Cash	\$ 33,439	\$ 9,251	\$ 263	\$ 42,953
Total Assets	<u>\$ 33,439</u>	<u>\$ 9,251</u>	<u>\$ 263</u>	<u>\$ 42,953</u>
LIABILITIES AND FUND BALANCES				
Due to others	\$ 33,439	\$ 9,251	\$ 128	\$ 42,818
Interfund payables	-	-	135	135
Total Liabilities	<u>\$ 33,439</u>	<u>\$ 9,251</u>	<u>\$ 263</u>	<u>\$ 42,953</u>

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Combining Schedule of Changes in Deposits Due to Others
Agency Funds**

For the Year Ended December 31, 2019

	Escrow Fund	Drug Asset Seizure Fund	Worthless Check Escrow Fund	Total
Balance at Beginning of Year	\$ 36,234	\$ 6,804	\$ 497	\$ 43,535
Additions:				
Restitution/forfeitures collected	53,111	-	14,946	68,057
Funds seized and auction proceeds	-	30,223	-	30,223
Interest earned	-	39	-	39
Total additions	<u>53,111</u>	<u>30,262</u>	<u>14,946</u>	<u>98,319</u>
Deductions:				
Distribution to victims	55,906	-	11,577	67,483
Distribution to District Attorney	-	5,326	3,603	8,929
Distribution to Criminal Court Fund	-	5,326	-	5,326
Distributions to Jennings Police Department	-	12,123	-	12,123
Distributions to Louisiana State Police	-	3,856	-	3,856
Distributions to Clerk of Court	-	1,184	-	1,184
Total deductions	<u>55,906</u>	<u>27,815</u>	<u>15,180</u>	<u>98,901</u>
Balance at End of Year	<u>\$ 33,439</u>	<u>\$ 9,251</u>	<u>\$ 263</u>	<u>\$ 42,953</u>

SCHEDULE 8

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Schedule of Compensation, Benefits and Other Payments to the
District Attorney**

For the Year Ended December 31, 2019

Honorable Michael C. Cassidy
District Attorney of the Thirty-First
Judicial District

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 180,490
Benefits-insurance	25,023
Benefits-retirement	4,523
Benefits-dues	3,993
Car allowance	-
Vehicle provided by government	-
Per diem	1,585
Reimbursements	-
Travel	-
Registration fees	325
Conference travel	4,226
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



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

To the District Attorney of the Thirty-First Judicial District
Parish of Jefferson Davis, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major funds of the District Attorney of the Thirty-First Judicial District, as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued my report thereon dated June 22, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District Attorney's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control. Accordingly, I 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Current and Prior Year Findings, 01-2019(IC), that I consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance, described in the accompanying Schedule of Current and Prior Year Findings, 01-2019(C), that is required to be reported under *Government Auditing Standards*.

District Attorney of the Thirty-First Judicial District's Response to Findings

District Attorney's response to the findings identified in my audit is described in the accompanying Schedule of Current and Prior Year Findings. District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the District Attorney of the Thirty-First Judicial District, the District Attorney's management, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties.


June 22, 2020

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA
SUMMARY SCHEDULE OF AUDIT FINDINGS
For the Year Ended December 31, 2019**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

1. Margins The auditor's report expresses an unqualified opinion on the financial statements of the District Attorney of the Thirty-First Judicial District.
2. One control deficiency was disclosed during the audit of the financial statements and is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. One instance of noncompliance of the District Attorney of the Thirty-First Judicial District was disclosed during the audit.
4. The District Attorney of the Thirty-First Judicial District did not require a Single Audit.

SECTION II - INTERNAL CONTROL AND COMPLIANCE FINDINGS

Current Year Findings:

See Schedule of Current Year Audit Findings.

Prior Year Findings:

See Schedule of Prior Year Audit Findings.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
For the Year Ended December 31, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

Finding 01-2019 (IC) – Segregation of Duties

Finding. The District Attorney did not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that incompatible functions with the accounting system be performed by separate persons.

Effect. Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Management’s Response. The District Attorney has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.

Compliance

Finding. The Pre-Trial Intervention and Drug Forfeiture Funds exceeded their budget amounts by more than 5%.

Criteria. State law requires local governments to amend their budgets when budget variances for revenues and expenditures exceed 5%.

Effect. Finding causes the District Attorney to not be in compliance with state law.

Cause. Although the budget was amended, it was not adequate to cover excess amounts.

Recommendation. The Funds should be monitored more closely in the future.

Management’s Response. The District Attorney concurs with the finding and will consider involving the contracted CPA to assist in the budget process. A plan will be implemented immediately.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

Internal Control

Finding 01-2018 (IC) – Segregation of Duties

Finding. The District Attorney did not have adequate segregation of functions within the accounting system.

Criteria. Good internal control requires that incompatible functions with the accounting system be performed by separate persons.

Effect. Due to lack of segregation of duties, misstatements could result without being prevented or detected and corrected in a timely manner.

Cause. The cause of the deficiency is due to the small staff size.

Recommendation. All incompatible functions should be performed by a separate person.

Management's Response. The District Attorney has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Michael C. Cassidy
District Attorney of the Thirty-First Judicial District
Parish of Jefferson Davis, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff

procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above except for Debt Service, which does not apply.

Board (or Finance Committee, if applicable)

- 2. Obtain and inspect the board/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/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.

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, as well as monthly financial statements.
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for a least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable.

Bank Reconciliations

- 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 and randomly select 4 additional accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;
 - 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; and
 - 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.

I obtained listing of client bank accounts from management and management's representation that the listing is complete.

I obtained bank statements and reconciliations for all months in the fiscal period noting that monthly reconciliations have been timely prepared.

Accounts tested did not contain evidence that management or management separate from involvement of transactions reviewed the bank reconciliations.

No items over 12 months were noted.

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.

Obtained listing of collection locations and management's representation that listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection such that:

- a) Employees that are responsible for cash collection do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposits.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Cash drawers/registers are not shared. The person collecting is not responsible for depositing in the bank. Recording the deposit and reconciling bank statements is performed by a separate person. Person responsible for reconciling deposits to general ledger is not responsible for collection. The office policy is to accept only money orders or cashier checks, cash is generally not accepted.

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

The persons responsible for collections are covered by fidelity insurance.

7. Randomly select two deposits 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). Obtain supporting documentation for each of the 10 deposits and:

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

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Sequential numbering is not utilized for receipts. The person collecting prepares a deposit slip but the actual deposits are made by a person separate from collection. Days between collection and deposits varies between accounts. No exceptions were noted between deposits and bank statement deposits.

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 Worthless Check Fund's processing is done by one individual, and the other funds' processing is done by a separate individual.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No written policies or procedures regarding job descriptions and responsibilities exists, but employees are knowledgeable of their assigned duties. Two employees are not always involved in the above procedures due to staffing restrictions. The person responsible for processing payments is not prohibited from adding vendors to the

entity's purchasing/disbursement system. Persons with signature authority or who make final authorization for disbursements do have responsibility for initiating purchases.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Selected disbursements matched original invoices. Segregation of duties is not evident.

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.

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

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

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

13. Using the monthly statements or combined statements selected under #11 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).

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

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:
 - 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing,

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law¹ (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

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.
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:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two 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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

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.
 - 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.

This procedure was performed in previous years with no exceptions. Per instructions of the Legislative Auditor this procedure is not applicable for year three.

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.
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.

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.
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 misappropriations, fraud, waste, or abuse of public funds.

These procedures were performed in previous years with no exceptions. Per instructions of the Legislative Auditor these procedures are not applicable for year three.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, 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 and 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.

J. Aaron Coogan, CPA, LLC

June 22, 2020