

DISTRICT ATTORNEY OF THE FIFTH
JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana

Financial Statements
For the Year Ended December 31, 2019

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Honorable Penny Douciere
District Attorney to the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of The District Attorney of the Fifth Judicial District (District Attorney), a component unit of the Richland Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney'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 of material misstatement.

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

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

To the District Attorney of
The Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Opinions

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

Emphasis of a Matter

As described in Note 14 to the financial statements, operations of the District Attorney are impacted by the pandemic caused by the Coronavirus/COVID-19. The District Attorney is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8; the budgetary comparison information on pages 39 through 41; the schedule of proportionate share of the net pension liability and schedule of contributions related to the Parochial Retirement System and the District Attorney's Retirement System on pages 42 and 43, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 44, 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 me with sufficient evidence to express an opinion or provide any assurances.

Other Information


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

To the District Attorney of
The Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 21, 2020, on my consideration of the District Attorney's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

West Monroe, Louisiana
September 21, 2020

Handwritten signature of David M. Smith, CPA (CPA)

REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll,

Management's Discussion and Analysis (MD&A) December 31, 2019

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

Financial Highlights

The District Attorney's total net position from governmental activities increased \$244,143 from the beginning of the fiscal year as a result of an increase in bond forfeiture revenue and transfers from the Criminal Court Fund. Also, the areas of fines and fees and drug asset forfeiture fees increased.

During the year ended December 31, 2019 the District Attorney's revenue increased \$56,395 from the prior year, and total expenses decreased \$126,731. The governmental activities reported unrestricted net position of \$833,957, which was an increase of \$13,526 from the prior year.

Title IV-D fund realized a decrease in revenue of \$1,250 over the prior year. Expenses in this fund decreased by \$6,621 resulting in an overall decrease to fund balance of \$2,280 due mostly to timing differences in expense reimbursement under the terms of the program.

Overview of the Financial Statements

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

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.

The next set of statements are fund financial statements that focus on individual parts of the District Attorney's governmental operations, reporting the District Attorney's operations in more detail than the government-wide statements. The District Attorney's most significant funds are the general fund and the Title IV-D fund.

The remaining statement is a statement of fiduciary assets and liabilities and presents financial information about activities for which the District Attorney acts solely as an agent for the benefit of others.

The governmental funds statements tell how general government services, like public safety, were financed in the short term as well as what remains for future spending.

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll,

Management's Discussion and Analysis (MD&A) December 31, 2019

Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as an agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified below. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources with the difference reported as Net Position. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District Attorney's net position and how they have changed. Net position (the difference between the District Attorney's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources) is one way to measure the District Attorney's financial health, or position.

For instance:

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

To assess the overall health of the District Attorney, one needs to consider additional financial factors such as changes in the finances of the State of Louisiana and the Franklin, Richland, and West Carroll Parish Police Juries.

The government-wide financial statements of the District Attorney consist of:

Governmental activities- all of the District Attorney's basic services are included here, such as public safety, the IV-D program and general administration.

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll,

Management's Discussion and Analysis (MD&A) December 31, 2019

Fund Financial Statements

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

The District Attorney has two kinds of funds:

Governmental funds - Most of the District Attorney's basic services are included in governmental funds which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page that explains the relationships between them.

Fiduciary funds - The activity in these funds are excluded from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

Financial Analysis of the District Attorney as a Whole

Net Position - The District Attorney's combined net position increased during 2019 by \$5,325 or 0.06%, from the net position of \$838,809 at December 31, 2018, as shown in the following table.

Table 1
Net Position
December 31, 2019 and 2018

	Governmental Activities 2019	Governmental Activities 2018
Current and other assets	1,372,775	1,273,259
Capital assets	10,177	18,378
Total assets	1,382,952	1,291,637
Deferred Outflows	399,170	461,089
Current and other liabilities	865,069	662,120
Total liabilities	865,069	662,120

District Attorney of the Fifth Judicial District
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Management's Discussion and Analysis (MD&A) December 31, 2019

Deferred Inflows	72,919	251,797
Net Position		
Net investment in capital assets	10,177	18,378
Unrestricted	833,957	820,431
Total net position, restated	844,134	838,809

Changes in Net Position - The following condensed government-wide governmental activity statement illustrates the major changes in operations for the District Attorney as compared to 2018. The difference between the increase below and the increase in the preceding table is a prior period adjustment related to the pension disclosure.

Table 2
Changes in Net Position
For the Years Ended December 31, 2019 and 2018

	Governmental Activities 2019	Governmental Activities 2018
Revenues		
Program Revenues		
Charges for Services	836,115	877,710
General revenues		
Federal Support	205,505	207,027
State Support	320,000	322,000
Local Support	576,357	476,793
Earnings on investments and rents	5,374	3,426
Total Revenues	1,943,351	1,886,956
Functions/Program Expenses		
Governmental Activities		
Public Safety and Judicial Prosecution	1,699,209	1,825,940
Total Functions/Program Expenses	1,699,209	1,825,940
Increase (decrease) in net position	244,143	61,016
Net position – beginning of year (restated)	599,991	777,793
Net position – ending of year	844,134	838,809

The District Attorney's total governmental revenue increased in 2019 by \$56,395 or 3%, and expenses decreased by \$126,731 or (6.94%), as compared to 2018.

Financial Analysis of the District Attorney's Funds

At the end of 2019, the District Attorney's governmental funds reported a combined fund balance of \$1,318,059 which was an increase of \$118,159 from the 2018 balance.

General Fund Budgetary Highlights

The District Attorney revises its budget during the year, as it attempts to deal with unexpected changes in revenues and expenditures.

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll,

Management's Discussion and Analysis (MD&A) December 31, 2019

(A schedule showing the District Attorney's original and final budgets, compared with actual results, is provided in the required supplementary information section of this report.) In the current year, changes between the original and revised budget were due to unexpected changes in revenues and expenditures.

The General Fund's actual revenues were more than projected budgeted revenue amounts by \$456,388 due to a change in the transfers from the Criminal Court Fund.

The General Fund's actual expenditures were less than projected budgeted expenditure amounts by \$434,774, due to the change in budgeted transfers from Criminal Court Fund.

Capital Assets

At the end of 2019, the District Attorney had \$10,177 invested in a broad range of capital assets. This amount represents a net decrease (including additions, deductions, and depreciation) of \$8,201 or approximately 44%, from last year. For further detailed information, please refer to Note 6 in the Notes to the Financial Statement.

	December 31,	
	2019	2018
Autos and Equipment	\$ <u>10,177</u>	\$ <u>18,378</u>
Total Capital Assets, Net of Accumulated Depreciation	\$ <u>10,177</u>	\$ <u>18,378</u>

Economic Factors and Next Year's Budget

The District Attorney is dependent on the State of Louisiana for partial payment of the attorney's salaries, a portion of its overhead as well as some administrative costs. The economy has experienced a record high and a record low in 2020 due to the Coronavirus pandemic. Please see note 14 to the financial statements for a description of this phenomenon. The budget for 2020 is slightly more than the 2019 operating budget.

Contacting the District Attorney's Financial Management

This financial report is designed to provide the citizens, taxpayers and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jonathan Knight, Administrator, P. O. Box 417, Rayville, LA 71269.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
<i><u>Assets</u></i>	
Cash and Cash Equivalents	\$ 1,000,128
Investments	218,108
Accounts Receivable	62,329
Due from Other Agencies	92,210
Capital Assets:	
Depreciable	<u>10,177</u>
Total Assets	1,382,952
<i><u>Deferred Outflows of Resources</u></i>	
Prepaid Expenses	25,078
Resources Related to Pensions	<u>374,092</u>
Total Deferred Outflows of Resources	399,170
<i><u>Liabilities</u></i>	
Accounts Payable	\$ 29,290
Salaries Payable	35,460
Payroll Withholdings Payable	12,049
Compensated Absences Payable	29,487
Due to Other Agencies	2,994
Unfunded Post-retirement Benefit Plan Obligations	307,317
Net Pension Liability	<u>448,472</u>
Total Liabilities	865,069
<i><u>Deferred Inflows of Resources</u></i>	
Resources Related to Pensions	72,919
<i><u>Net Position</u></i>	
Net Investment in Capital Assets	10,177
Net Position - Unrestricted	<u>833,957</u>
Total Net Position	<u><u>\$ 844,134</u></u>

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Statement of Activities
For the Year Ended December 31, 2019

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities: Public Safety & Judicial Prosecution	<u>\$ 1,699,208</u>	<u>\$ 836,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (863,093)</u>
			General Revenues:		
			Federal Support		\$ 205,505
			State Support		320,000
			Local Support		576,357
			Interest Earnings		5,374
			Miscellaneous		-
			Total General Revenues		1,107,236
			Changes in Net Position		244,143
			Net Position - Beginning (restated)		599,991
			NET POSITION - ENDING		\$ 844,134

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

FUND FINANCIAL STATEMENTS

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Balance Sheet, Governmental Funds
December 31, 2019

	Major Funds		
	General Fund	Title IV-D	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 864,571	\$ 135,557	\$ 1,000,128
Investments	165,626	52,482	218,108
Accounts Receivable	30,221	32,108	62,329
Prepaid Expense	20,634	4,444	25,078
Due from other Funds	158,386	-	158,386
Due from other Agencies	82,210	10,000	92,210
<u>Total Assets</u>	<u>\$ 1,321,648</u>	<u>\$ 234,591</u>	<u>\$ 1,556,239</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
 <u>Liabilities</u>			
Accounts Payable	\$ 29,290	\$ -	\$ 29,290
Due to Other Funds	-	158,386	158,386
Due to Other Agencies	2,418	577	2,995
Payroll Withholdings Payable	9,330	2,719	12,049
Salaries Payable	31,457	4,003	35,460
<u>Total Liabilites</u>	72,495	165,685	238,180
 <u>Fund Balance</u>			
Unassigned	1,249,153	68,906	1,318,059
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,321,648</u>	<u>\$ 234,591</u>	<u>\$ 1,556,239</u>

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Balance Sheet, Governmental Funds
December 31, 2019

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

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

Fund Balance, Governmental Funds:	\$ 1,318,059
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	10,177
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(448,472)
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:	
Compensated absences payable	(29,487)
Net OPEB obligation	(307,317)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>301,174</u>
Net Position of Governmental Activities	<u><u>\$ 844,134</u></u>

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

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

	Major Funds		
	General Fund	Title IV-D	Total
<u>Operating Revenue</u>			
Fines, Fees and Bond Forfeitures	\$ 760,616	\$ -	\$ 760,616
Court Cost Fees	61,696	-	61,696
Interest Income	4,483	891	5,374
Intergovernmental Revenue			
Federal	-	205,505	205,505
State	320,000	-	320,000
Local	534,965	-	534,965
Drug Asset Forfeiture	3,760	-	3,760
Collection Fees	10,041	-	10,041
Total Operating Revenue	1,695,563	206,396	1,901,959
<u>Operating Expenditures</u>			
Current:			
General Government			
Personnel Services	1,167,565	176,125	1,343,690
Operating Services	359,632	27,591	387,223
Materials and Supplies	21,066	2,406	23,472
Travel and Other Charges	26,860	1,514	28,374
Capital Outlay	-	1,040	1,040
Total Operating Expenditures	1,575,124	208,676	1,783,800
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	120,439	(2,280)	118,159
<u>Fund Balance - Beginning of the Year</u>	1,128,714	71,186	1,199,900
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 1,249,153	\$ 68,906	\$ 1,318,059

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

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

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

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds	\$	118,159
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	1,040	
Less current year depreciation	(9,241)	(8,201)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.		
		(38,093)
Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:		
Change in compensated absences payable		(6,851)
Pension expense		137,737
Other parties' contributions to pension plans		41,392
		<hr/>
Changes in net position of governmental activities	\$	<u>244,143</u>

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Statement of Fiduciary Assets and Liabilities
December 31, 2019

	Special Asset Forfeiture	Worthless Check Fund	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 46,734	\$ 4,361	\$ 51,095
TOTAL ASSETS	<u>46,734</u>	<u>4,361</u>	<u>51,095</u>
 <u>LIABILITIES</u>			
Deposits Due Others	46,734	4,361	51,095
TOTAL LIABILITIES	<u>\$ 46,734</u>	<u>\$ 4,361</u>	<u>\$ 51,095</u>

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2019

	Special Asset Forfeiture	Worthless Check Fund	Total
<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 41,404	\$ 5,220	\$ 46,624
Collections	11,607	66,544	78,151
Disbursements	(6,277)	(67,403)	(73,680)
<u>BALANCE AT END OF YEAR</u>	<u>\$ 46,734</u>	<u>\$ 4,361</u>	<u>\$ 51,095</u>

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the Parishes of Franklin, Richland, and West Carroll, Louisiana.

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

A. Basis of Presentation

The accompanying financial statements of the District Attorney of the Fifth Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Richland Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include: (1) Appointing a voting majority of an organization's governing body or (2) the ability of the District Attorney to impose its will on that organization and/or (3) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District Attorney. Organizations for which the District Attorney does not appoint a voting majority but are fiscally dependent on the District Attorney. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

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

C. Fund Accounting

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

Funds of the District Attorney are classified into two categories; governmental and fiduciary. Each category is divided into separate fund types. The fund classifications and a description of each existing fund type are as follows:

Governmental Funds

Governmental funds account for all or most of the District Attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. The following are the District Attorney's governmental funds:

General Fund – The General Fund is the District Attorney's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines and forfeitures collected be transmitted to the District Attorney to defray the necessary expenses of that office.

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

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.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Fiduciary funds account for assets held by the district attorney in a trustee capacity or as an agent on behalf of outside parties.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the district attorney holds for others in an agency capacity. The district attorney reports the following agency funds:

Asset Forfeiture Fund - The Asset Forfeiture Fund was established for the allocation and disposition of property obtained under the provisions of Louisiana Revised Statute 40:2616. The District Attorney may (1) retain property for official use or transfer the custody to any local, state or federal agency; (2) destroy or use for investigative purposes, any illegal or controlled substances or other contraband, upon the written approval of the District Attorney after not less than twenty days after seizure; and (3) authorize a public sale without appraisal of that which is not required by law to be destroyed and which is not harmful to the public.

Property is distributed by court order first to satisfy any security interest or lien; second to reimburse expenses of seizure; and the balance shall be allocated as follows:

60% to law enforcement agency(s) making the seizure
20% to the criminal court fund
20% to District Attorney's general fund

These proceeds are to be used to further and enhance drug law enforcement. The District Attorney is required to make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. This fund is subject to public audit.

Worthless Check Collection Fee - The Worthless Check Collection Fee 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.

D. Measurement Focus/Basis of Accounting

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*.

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D. Measurement Focus/Basis of Accounting – (Continued)

Fiduciary funds are not included in the government-wide financial statements.

Program Revenues - Program revenues included in the Statement of Activities derive directly from parties outside the District Attorney's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the District Attorney's general revenues.

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgment of Forfeiture is received. Court cost and fees provided for in Louisiana Statutes are recorded as received in cash. Collection fees for worthless checks are recorded as received in cash. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund and Other Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors. Grants are recorded when the District Attorney of the Fifth Judicial District is entitled to the funds.

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D. Measurement Focus/Basis of Accounting – (Continued)

Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

E. Budgets

The District Attorney uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the District Attorney of the Fifth Judicial District does not use encumbrance accounting.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The District Attorney considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

H. Short-term Interfund Receivables/ Payables (Fund Financial Statements)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

In the process of aggregating data for the statement of net position interfund payables and receivables were eliminated to minimize the "grossing up" effect of assets and liabilities within the governmental activities column.

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I. Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture and office equipment	5 years
Computer hardware	5-10 years
Telephone equipment	10 years
Vehicles	5 years

J. Compensated Absences

All employees are granted two to three weeks of cumulative vacation leave each year, depending on length of service and are allowed to accrue up to 24 days of leave. Sick leave is non-cumulative at 10 days per year.

At December 31, 2019, employees have accumulated and vested \$29,487 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

K. Restricted Net Position

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

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resource as needed.

L. Fund Balance of Fund Financial Statements

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

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Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the District Attorney. Committed amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the District Attorney's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the District Attorney.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The District Attorney reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The District Attorney considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in government funds.

Based on the size of the accounts and the methods used for payments, the District Attorney does not employ encumbrance accounting.

N. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund 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. All other interfund transactions are reported as transfers.

O. 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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P. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The District Attorney has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The District Attorney has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The District Attorney does not have a policy that addresses interest rate risk.

Credit Risk: The District Attorney's investments are in Certificates of Deposits which do not have credit ratings.

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$1,218,236 and the bank balance was \$1,066,406, which includes \$218,108 in certificate of deposits classified as investments.

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NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS – (Continued)

Of the bank balances, \$500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department in the District Attorney's name. The District Attorney does not have a policy that addresses custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – ACCOUNTS RECEIVABLE

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

	<u>General Fund</u>	Title IV-D Special Revenue <u>Fund</u>	<u>Total</u>
Department of Health and Human Services	\$ -	\$ 32,108	\$ 32,108
Fines, Fees, and Bond Forfeitures	<u>30,221</u>	<u>-</u>	<u>30,221</u>
Total	<u>\$ 30,221</u>	<u>\$ 32,108</u>	<u>\$ 62,329</u>

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

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

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 158,386	\$ -
Title IV-D	<u>-</u>	<u>158,386</u>
Total	<u>\$ 158,386</u>	<u>\$ 158,386</u>

The purpose of the interfund payable from the Title IV-D fund was to cover current-year expenditures for the cost reimbursement program until the reimbursement request is received.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 and 2018 is as follows:

	December 31, 2018			December 31, 2019
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	<u>180,399</u>	<u>1,040</u>	<u>-</u>	<u>181,439</u>
Totals at Historical Cost	<u>180,399</u>	<u>1,040</u>	<u>-</u>	<u>181,439</u>

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NOTE 6 – CAPITAL ASSETS – Continued

Less Accumulated Depreciation for:				
Autos & Equipment	(162,021)	(9,241)	-	(171,262)
Total Accumulated Depreciation	(162,021)	(9,241)	-	(171,262)
 <u>CAPITAL ASSETS, NET</u>	 <u>\$ 18,378</u>	 <u>\$ (8,201)</u>	 <u>\$ -</u>	 <u>\$ 10,177</u>

Depreciation expense was \$9,241 in 2019.

NOTE 7 – PENSION PLANS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

The 5th Judicial District Attorney contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the 5th Judicial District Attorney are members of Plan A.

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable 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 employee's final average compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

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

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For the year ended December 31, 2019, the 5th Judicial District Attorney's total payroll for all employees was \$663,580. Total covered payroll was \$443,470. Covered payroll refers to all compensation paid by the 5th Judicial District Attorney to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 7509 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361, or by visiting the System's website www.persla.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 11.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The 5th Judicial District Attorney's contributions to the System under Plan A for the year ending December 31, 2019 were \$50,999.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the 5th Judicial District Attorney to the System quarterly.

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

At December 31, 2019, the Employer reported a liability of \$325,869 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The 5th Judicial District Attorney's proportion of the Net Pension Liability was based on a projection of the 5th Judicial District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the 5th Judicial District Attorney's proportion was 0.073421%, which was an increase of 0.004048% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the 5th Judicial District Attorney recognized pension expense of \$126,631 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$49,028). Total pension expense for the 5th Judicial District Attorney for the year ended December 31, 2018 was \$77,603.

At December 31, 2019, the 5th Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	19,853
Changes in assumption	81,478	-
Net difference between projected and actual earnings on pension plan investments	155,994	-
Changes in employer's portion of beginning net pension liability	2,268	-
Differences between employer contributions and proportionate share of employer contributions	783	87
Subsequent measurement contributions	50,999	-
Total	291,522	19,940

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

Year ended December 31,	
2020	75,872
2021	41,818
2022	33,987
2023	68,906

Actuarial Assumptions

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

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.40%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality rates	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.

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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.73% 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.43%

Discount Rate

The discount rate used to measure the total pension liability was 6.50% for Plan A and 6.50% for Plan B. 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.

Sensitivity of the 5th Judicial District Attorney's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the 5th Judicial District Attorney's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the 5th Judicial District Attorney's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

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	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	692,058	325,869	19,766

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Audit Report at www.persla.org.

District Attorney's Retirement System of Louisiana (System)

Plan Description

The 5th Judicial District Attorney contributes to the District Attorneys' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 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 Louisiana 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 or assistant district attorneys in any parish shall become members as a condition of their employment, provided 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.

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

5. Age 62 after 10 or more years of creditable service.
6. Age 60 after 18 or more years of creditable service.
7. Age 55 after 23 or more years of creditable service.
8. Any age after 30 or more years of creditable service.

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

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

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

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

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

For the year ended December 31, 2019, the 5th Judicial District Attorney's total payroll for all employees was \$663,580. Total covered payroll was \$457,087. Covered payroll refers to all compensation paid by the 5th Judicial District Attorney to active employees covered by the Plan.

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 1.25% for January to June and 4.00% for July to December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 5th Judicial District Attorney's contributions to the System for the year ending December 31, 2019 were \$5,714. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the 5th Judicial District Attorney to the System monthly.

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

At December 31, 2019, the Employer reported a liability of \$122,603 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

The 5th Judicial District Attorney's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the 5th Judicial District Attorney's proportion was 0.381106%, which was a decrease of 0.005932% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the 5th Judicial District Attorney recognized pension expense of \$66,868 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$6,734). Total pension expense for the 5th Judicial District Attorney for the year ended December 31, 2019 was \$60,134.

At December 31, 2019, the 5th Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	527	38,266
Changes in assumptions	55,841	4,044
Net difference between projected and actual earnings on pension plan	17,194	-
Changes in employer's proportion of beginning net pension liability	4,383	9,374
Differences between employer and proportionate share of contributions	295	1,289
Subsequent measurement contributions	4,329	-
Total	82,570	52,973

The \$4,329 reported as deferred outflows of resources related to pensions resulting from the 5th Judicial District Attorney contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2020	9,140
2021	3,521
2022	5,424
2023	13,199
2024	(6,017)

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Actuarial Assumptions

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense
Salary increases	5.50% (2.40% inflation, 3.10% merit)
Mortality rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) 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 building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.56% for the year ended June 30, 2019. The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019, were as follows:

Asset Class	Target Allocation	Rates of Return	
		Real	Nominal
Equities	48.42%	5.13%	
Fixed income	40.10%	1.65%	
Alternatives	10.99%	0.78%	
Real estate	0.49%	0.00%	
Totals	100%		5.07%
Inflation			2.49%
Expected arithmetic nominal return			7.56%

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Discount Rate

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

Sensitivity of the 5th Judicial District Attorney’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the 5th Judicial District Attorney’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Police Jury’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	333,959	122,603	(57,367)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

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

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Children and Family Services.

For the year ended December 31, 2019, the District Attorney for the Fourth Judicial District expended \$208,676 for the program.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE PROGRAM- Continued

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Children and Family Services and include a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursements requests to the Department of Children and Family Services on a monthly basis.

The reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

NOTE 9 - AGENCY FUNDS

A summary of the changes in the District Attorney's agency funds is as follows:

	Balance at Beginning of Year	<u>Additions</u>	<u>Reductions</u>	Balance at End of Year
Special Asset Forfeiture Fund	\$ 41,404	\$ 11,607	\$ 6,277	\$ 46,734
Worthless Check Fund	5,220	66,544	67,403	4,361
Total	<u>\$ 46,624</u>	<u>\$ 78,151</u>	<u>\$ 73,680</u>	<u>\$ 51,095</u>

NOTE 10 - STEWARDSHIP AND ACCOUNTABILITY

Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following fund had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2019:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Collection Fees	\$ 15,300	\$ 10,041	\$ (5,259)
General Fund Personnel Services	\$ 800,400	\$ 1,167,565	\$ (367,165)
General Fund Materials and Supplies	\$ 6,256	\$ 22,346	\$ (16,090)
General Fund Travel and Other Charges	\$ 17,775	\$ 27,414	\$ (9,639)
Title IV-D Travel and Other Charges	\$ 800	\$ 1,514	\$ (714)
Title IV-D Capital Outlay	\$ -	\$ 1,040	\$ (1,040)

NOTE 11 - LITIGATION AND CLAIMS

At December 31, 2019, the District Attorney is not involved in any litigation, nor is she aware of any unasserted claims.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

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

NOTE 13 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

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

Life insurance coverage is not considered for this valuation.

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

Inactive employees or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1
	2

Total OPEB Liability

The District Attorney’s total OPEB liability of \$307,317 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

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

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

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

Changes in the Total OPEB Liability

Balance at December 31, 2018	<u>\$ 269,224</u>
Changes for the year:	
Service cost	-
Interest	11,038
Differences between expected and actual experience	(4,700)
Changes in assumptions	40,018
Benefit payments and net transfers	<u>(8,263)</u>
Net changes	<u>38,093</u>
Balance at December 31, 2019	<u><u>\$ 307,317</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.74%) or 1-percentage-point higher (5.74%) than the current discount rate:

	1.0% Decrease (3.74%)	Current Discount Rate (4.74%)	1.0% Increase (5.74%)
Total OPEB liability	<u>\$ 341,064</u>	<u>\$ 307,317</u>	<u>\$ 278,447</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	<u>\$ 280,229</u>	<u>\$ 307,317</u>	<u>\$ 338,179</u>

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

For the year ended December 31, 2019, the District Attorney recognized OPEB expense of \$8,940. At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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

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

NOTE 14 – PRIOR PERIOD ADJUSTMENT

During the year, an adjustment was made to reconcile the net pension liability to the most current GASB 68 valuation report. The resulting adjustment resulted in a decrease to beginning net position in the amount of \$238,818.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 21, 2020, which is the day the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the District and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

District Attorney of the Fifth Judicial District
Parishes Franklin, Richland, and West Carroll

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	Original	Final		
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	766,700	750,495	\$ 760,616	\$ 10,121
Court Cost Fees	81,000	60,400	61,696	1,296
Interest Income	1,600	1,715	4,483	2,768
Intergovernmental Revenue				
State	-	-	320,000	320,000
Local	330,000	407,465	534,965	127,500
Drug Asset Forfeiture	4,500	3,800	3,760	(40)
Collection Fees	24,300	15,300	10,041	(5,259)
Other Revenues	-	-	-	-
Total Operating Revenues	<u>\$1,208,100</u>	<u>\$1,239,175</u>	<u>\$1,695,563</u>	<u>\$456,388</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	801,100	800,400	1,167,565	(367,165)
Operating Services	240,805	300,250	359,632	(59,382)
Materials and Supplies	6,500	16,000	21,066	(5,066)
Travel and Other Charges	25,700	23,700	26,860	(3,160)
Capital Outlay	2,000	-	-	-
Total Expenditures	<u>1,076,105</u>	<u>1,140,350</u>	<u>1,575,124</u>	<u>(434,774)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	131,995	98,825	120,439	21,614
<u>Fund Balance - Beginning of the Year</u>	<u>1,128,714</u>	<u>1,128,714</u>	<u>1,128,714</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,260,709</u>	<u>\$ 1,227,539</u>	<u>\$ 1,249,153</u>	<u>\$ 21,614</u>

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
Special Revenue - Title IV-D
For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
<u>Operating Revenue</u>				
Intergovernmental Revenue	\$ 210,663	\$ 210,663	\$ 205,505	\$ (5,158)
Interest Income	-	-	891	891
Total Operating Revenues	<u>210,663</u>	<u>210,663</u>	<u>206,396</u>	<u>(4,267)</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	173,790	173,790	176,125	(2,335)
Operating Services	27,087	27,087	27,591	(504)
Materials and Supplies	4,855	4,855	2,406	2,449
Travel and Other Charges	800	800	1,514	(714)
Capital Outlay	-	-	1,040	(1,040)
Total Expenditures	<u>206,532</u>	<u>206,532</u>	<u>208,676</u>	<u>(2,144)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	4,131	4,131	(2,280)	(6,411)
<u>Fund Balance - Beginning of the Year</u>	<u>71,186</u>	<u>71,186</u>	<u>71,186</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 75,317</u>	<u>\$ 75,317</u>	<u>\$ 68,906</u>	<u>\$ (6,411)</u>

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2019

A. BUDGETS

General Budget Practices The District Attorney follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year in December, the administrator prepares and submits a proposed budget to the District Attorney for review. Public hearings are conducted to obtain taxpayer comments, prior to the adoption of the budget. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

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

Budget Basis of Accounting All governmental funds' 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). Budgeted amounts are originally adopted or amended by the District Attorney. Legally, the District Attorney must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the District Attorney to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

B. UNFAVORABLE BUDGET VARIANCE

Actual revenues less than budgeted revenues:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Collection Fees	\$ 15,300	\$ 10,041	\$ (5,259)

Actual expenditures greater than budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund Personnel Services	\$ 800,400	\$ 1,167,565	\$ (367,165)
General Fund Materials and Supplies	\$ 6,256	\$ 22,346	\$ (16,090)
General Fund Travel and Other Charges	\$ 23,700	\$ 26,860	\$ (5,066)
Title IV-D Travel and Other Charges	\$ 800	\$ 1,514	\$ (3,160)
Title IV-D Capital Outlay	\$ -	\$ 1,040	\$ (1,040)

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Parochial Retirement System
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.08639%	\$ 23,620	\$ 364,671	6%	87.34%
2016	0.06360%	\$ 167,419	\$ 393,160	43%	99.23%
2017	0.06629%	\$ 136,533	\$ 426,998	32%	82.10%
2018	0.06937%	\$ (51,492)	\$ 449,705	-11%	102.00%
2019	0.07342%	\$ 325,969	\$ 449,705	72%	88.86%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

District Attorney's Retirement System
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.42157%	\$ 22,708	\$ 247,204	9.19%	98.56%
2016	0.40704%	\$ 77,910	\$ 266,917	29.19%	95.09%
2017	0.33787%	\$ 91,132	\$ 231,621	39.35%	93.57%
2018	0.37517%	\$ 120,728	\$ 230,408	52.40%	92.92%
2019	0.38111%	\$ 122,603	\$ 224,018	54.73%	93.13%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Parochial Retirement System
Schedule of Employer Contributions
For the Year Ended December 31, 2019

Fiscal Year	(b)		(a-b)	Agency's covered payroll	Contributions as a percentage of covered payroll
	(a)	Contributions in relation to the statutorily required contribution			
	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency		
2015	\$ 52,877	\$ 52,877	\$ -	\$ 364,671	14.50%
2016	\$ 51,111	\$ 51,111	\$ -	\$ 393,160	13.00%
2017	\$ 53,375	\$ 53,375	\$ -	\$ 426,998	12.50%
2018	\$ 51,716	\$ 51,716	\$ -	\$ 449,705	11.50%
2019	\$ 50,999	\$ 50,999	\$ -	\$ 443,470	11.50%

Amounts presented were determined as of the end of the fiscal year.

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

District Attorney's Retirement System
Schedule of Employer Contributions
For the Year Ended December 31, 2019

Fiscal Year	(b)		(a-b)	Agency's covered payroll	Contributions as a percentage of covered payroll
	(a)	Contributions in relation to the statutorily required contribution			
	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency		
2015	\$ 17,305	\$ 17,305	\$ -	\$ 247,204	7.00%
2016	\$ 9,342	\$ 9,342	\$ -	\$ 266,917	3.50%
2017	\$ -	\$ -	\$ -	\$ 231,621	0.00%
2018	\$ -	\$ -	\$ -	\$ 230,408	0.00%
2019	\$ 5,714	\$ 5,714	\$ -	\$ 218,972	2.61%

Amounts presented were determined as of the end of the fiscal year.

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

OTHER SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2018	2019
Total OPEB Liability		
Service cost	\$ -	\$ -
Interest	10,458	11,038
Changes of benefit terms	-	-
Differences between expected and actual experience	(17,235)	(4,700)
Changes of assumptions	(20,181)	40,018
Benefit payments	(7,832)	(8,263)
Net change in total OPEB liability	<u>(34,790)</u>	<u>38,093</u>
Total OPEB liability - beginning	<u>304,014</u>	<u>269,224</u>
Total OPEB liability - ending (a)	<u>\$ 269,224</u>	<u>\$ 307,317</u>
Covered-employee payroll	\$ 135,000	\$ 139,050
Net OPEB liability as a percentage of covered-employee payroll	199.43%	221.01%
Notes to Schedule:		
Benefit Changes:	None	None
Changes of Assumptions:		
Discount Rate:	4.10%	2.74%

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

District Attorney of the Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

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

Agency Head: John M. Lancaster, District Attorney**

<u>Purpose</u>	<u>Amount</u>
Salary - State of LA	\$ 8,181
Salary - Non Support	126,819
Salary - General Fund	50,000
Benefits - Insurance	13,112
Benefits - Retirement	11,957
Travel and other	<u>5,894</u>
Total	<u><u>\$ 215,963</u></u>

** John M. Lancaster retired in March of 2020. At that time, first ADA Penny Douciere was installed as District Attorney.

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

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 Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

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 of The District Attorney of the Fifth Judicial District (District Attorney), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued my report thereon dated September 21, 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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney'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, 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 District Attorney's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as 2019-1 that I consider to be a significant deficiency.

To the District Attorney of
The Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney’s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

District Attorney’s Response to Findings

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

Purpose of this Report

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

This report is intended for the use of management of The District Attorney of the Fifth Judicial District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

West Monroe, Louisiana
September 21, 2020



DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

The District Attorney of the Fifth Judicial District
For the Parishes of Franklin, Richland, and West Carroll

I have audited the financial statements of the District Attorney of the Fifth Judicial District (District Attorney), a component unit of the Franklin, Richland, and West Carroll Parish Police Juries as of and for the year ended December 31, 2019 and have issued my report thereon dated September 21, 2020. 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. My audit of the financial statements as of December 31, 2019, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards – N/A

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance for Major Programs (No Major Programs)

Unqualified Qualified

Disclaimer Adverse

Are their findings required to be reported in accordance with the Uniform Guidance?
N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

2019-1 Inadequate Segregation of Duties

Condition: At present, the Administrator handles all aspects of the accounting system. He is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, he is the only person that is trained to do this job. Two signatures are required on check disbursements.

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Recommendation: Although the size of the District Attorney's staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

Bank statements, cancelled checks, etc. should be received by someone other than the Administrator. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.

Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.

Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis.

Management's Response: It is not feasible to correct this deficiency entirely, based on the size of the 05th District CCF staff. However, the 05th District CCF staff Admin has contracted with an external fee accountant to review and provide oversight regarding financial operations. The 05th District CCF has an employee independent of the financial operations who retrieves, opens, dates and distributes mail. The 05th District CCF will work toward implementing other recommendations if possible at a later date.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

2018-1 Inadequate Segregation of Duties

Condition: At present, the Administrator handles all aspects of the accounting system. He is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, he is the only person that is trained to do this job. Two signatures are required on check disbursements.

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Recommendation: Although the size of the District Attorney's staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

Cash receipts could be recorded and the deposit prepared by someone other than the administrator. Cash receipts should be deposited intact daily. Holding receipts exposes the District Attorney to loss.

Bank statements, cancelled checks, etc. should be received by someone other than the Administrator. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.

Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable. Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis.

Management's Response: It is not feasible to correct this deficiency entirely, based on the size of the 05th District DA staff. However, the 05th District DA staff Admin will contract with a external CPA to review and provide oversight regarding financial operations. The 05th District DA will work toward implementing other recommendations if possible at a later date.

Finding Status: Although the Administrator still maintains all aspects of the accounting system, the District Attorney has hired a fee accountant to prepare the books at year end for audit and to answer any accounting questions should they arise during the year.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

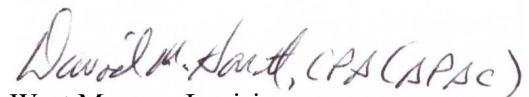
I have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fifth Judicial District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal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

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

The findings obtained are described in the attachment to this report.

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

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


West Monroe, Louisiana
September 21, 2020

SUPPLEMENT TO INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Written Policies and Procedures

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - 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) continuing disclosure/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.

Exceptions

The 5th DA has a policy and procedure manual that addresses purchasing, travel, and credit card use, however, policies specific to these areas that address all named items above were not in place for the test period.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Exceptions

The Entity not operate under a Board or Committee structure, thus this section is not applicable.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

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

Exceptions

The bank reconciliations selected did not show evidence of having been reconciled within 2 months, however, a member of management reviewed the bank statement and initialed upon reconciliation. There was no further evidence of a member of management reviewing the reconciliation report. Outstanding items over 12 months old were researched at year end as part of the audit preparation.

Collections (excluding EFTs)

1. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
2. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
3. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
4. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

- 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.

Exceptions

The Entity has 3 collection sites, and all were tested. The majority of deposits are received through checks payable to the 5TH DA via the mail. Deposits are made once a week. No other exceptions noted.

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

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

Exceptions

The 5th DA operates with minimal staff; therefore, the administrator is responsible for disbursements including adding vendors, approving payments, and signing checks (two signatures are required). All tested disbursements matched the original billing statement or invoice.

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.
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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions

The 5th DA does not have written policies specific to the use of credit cards, however, certain restrictions on credit card use are mentioned in the policy and procedure manual. No other exceptions were noted.

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.

Exceptions

No written approval was noted on the tested disbursements; however, the administrator prepared the disbursements. No other exceptions were noted.

Contracts

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

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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 Library 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 misappropriation, fraud, waste, or abuse of public funds.

Exceptions

No exceptions were identified in the performance of the procedures listed above.