

BASIC FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

DISTRICT ATTORNEY OF THE FOURTEENTH  
JUDICIAL DISTRICT  
CALCASIEU PARISH, LOUISIANA  
DECEMBER 31, 2018

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*REQUIRED SUPPLEMENTAL INFORMATION – PART I*

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

District Attorney of the Fourteenth Judicial District  
Calcasieu Parish, Louisiana  
Management's Discussion and Analysis  
December 31, 2018

As management of the District Attorney of the Fourteenth Judicial District, Calcasieu Parish, Louisiana ("District Attorney"), we offer readers of the District Attorney's financial statements this narrative overview and analysis of the financial activities of the District Attorney for the year ended December 31, 2018. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the District Attorney's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with an analysis of the District Attorney's short-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District Attorney. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District Attorney's financial activity, identify changes in the District Attorney's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained in this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District Attorney's financial statements. The District Attorney's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

District Attorney of the Fourteenth Judicial District  
Calcasieu Parish, Louisiana  
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**1. Government-Wide Financial Statements**

Government-wide financial statements are designed to provide readers a concise “entity-wide” Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District Attorney’s financial position and results of operations in a manner similar to a private-sector business.

- A. The *statement of net position* presents information on all of the District Attorney’s assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney is improving or weakening.
- B. The *statement of activities* presents information showing how the District Attorney’s net assets change during the most recent fiscal year. All changes in assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

***Government-Wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The District Attorney’s assets exceeded its liabilities by \$8,705,349 and \$8,478,993 for the years ended December 31, 2018 and 2017, respectively. Of these amounts, \$8,484,243 and \$8,247,381 are unrestricted.

A portion of the District Attorney’s net position (2.5% for 2018 and 2.7% for 2017) reflects its investment in capital assets (e.g., equipment, furniture, vehicles, etc.). The District Attorney use these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position may be used to meet the District Attorney’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District Attorney is reporting a positive balance in both the General Fund and Special Revenue Fund net position.

District Attorney of the Fourteenth Judicial District  
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***Government-Wide Financial Analysis – (Continued)***

The analyses in Table 1 and Table 2 below focus on the summary of net position and summary of changes in net position for the District's governmental activities.

Table 1  
 Summary of Net Position  
 Governmental Activities

	2018	2017	Increase (Decrease)	Percentage Change
Current and other assets	\$ 8,584,061	\$ 8,402,809	\$ 181,252	2.16%
Capital assets, net	221,106	231,613	(10,507)	-4.54%
Total assets	<u>8,805,167</u>	<u>8,634,422</u>	<u>170,745</u>	1.98%
Current and other liabilities	99,818	155,429	(55,611)	-35.78%
Total liabilities	<u>99,818</u>	<u>155,429</u>	<u>(55,611)</u>	-35.78%
Net position:				
Net investment in capital assets	221,106	231,613	(10,507)	-4.54%
Unrestricted	8,484,243	8,247,380	236,863	2.87%
Total net position	<u>\$ 8,705,349</u>	<u>\$ 8,478,993</u>	<u>\$ 226,356</u>	2.67%

The results of this year's operations for the District Attorney as a whole are reported in the Statement of Activities. Table 2, on the next page details the information from that statement and compares it to fiscal year 2017.

As reported in the Statement of Activities, the cost of all governmental activities this year was \$4,956,288 compared to \$4,914,526 in the prior year. Some costs were paid by those who benefited from the programs and others were paid from monies collect on behalf of certain individual and businesses.

The Government Activities of the District Attorney include judicial and prosecution activities. Commissions on fines and forfeitures, license fees and enrollment fees fund these government activities.

District Attorney of the Fourteenth Judicial District  
 Calcasieu Parish, Louisiana  
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***Government-Wide Financial Analysis – (Continued)***

Table 2 below illustrates the District Attorney's major revenue and expenditures related to those functions typically associated with governments.

Table 2  
 Summary of Changes in Net Position  
 Governmental Activities

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Program revenue:				
Fees, fines and charges for services	\$ 3,968,409	\$ 5,884,149	\$(1,915,740)	-32.56%
General revenue:				
Interest earnings	10,268	9,386	882	9.40%
Restitution	1,013,338	395,051	618,287	156.51%
Intergovernmental revenues	190,500	-	190,500	100.00%
Other revenues	129	6,895	(6,766)	-98.13%
Special item:				
Lawsuit settlement	-	73,635	(73,635)	-100.00%
Total revenue	<u>5,182,644</u>	<u>6,369,116</u>	<u>(1,186,472)</u>	-18.63%
Function/Program Expenses:				
Communications and technology	101,454	88,318	13,136	14.87%
Dues	79,265	105,624	(26,359)	-24.96%
Joint service agreements	75,169	79,513	(4,344)	-5.46%
Legal and other professional	138,333	168,710	(30,377)	-18.01%
Miscellaneous expense	4,206	-	4,206	100.00%
Office	284,215	260,364	23,851	9.16%
Overhead paid to Calcasieu Parish Jury	1,724,112	1,707,000	17,112	1.00%
Pretrial diversion/Victim assistance programs	1,107,893	1,839,619	(731,726)	-39.78%
Restitution	995,037	400,629	594,408	148.37%
Positive change initiative program	175,850	-	175,850	100.00%
Travel and seminars	149,155	138,207	10,948	7.92%
Vehicles	26,272	39,022	(12,750)	-32.67%
Depreciation	95,327	87,520	7,807	8.92%
Total expenses	<u>4,956,288</u>	<u>4,914,526</u>	<u>41,762</u>	0.85%
Change in net position	226,356	1,454,590	(1,228,234)	-84.44%
Net position - beginning	8,478,993	7,024,403	1,454,590	20.71%
Net position - ending	<u>\$ 8,705,349</u>	<u>\$ 8,478,993</u>	<u>\$ 226,356</u>	2.67%

District Attorney of the Fourteenth Judicial District  
Calcasieu Parish, Louisiana  
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**2. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Attorney can be divided into two categories: governmental funds and fiduciary funds.

- A. Governmental funds are used to account for most of the District Attorney's basic services reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 22 and 24.

- B. Fiduciary funds are used to account for assets that are received and held in trust for other governmental agencies. These funds are from seizures and programs and are disbursed upon order of the court documents or program documents to the governmental agencies or returned to the defendants.

***Financial Analysis of the Governmental Funds***

The District Attorney's Governmental Funds reported ending fund balances of \$8,484,243, for the year ending 2018 and \$8,247,381, for the year ending 2017. The District Attorney retains a reasonable surplus in the General Fund for unforeseen future emergencies such as natural disasters, decrease in economic conditions, emergency capital outlay requirements, and other similar conditions.

District Attorney of the Fourteenth Judicial District  
 Calcasieu Parish, Louisiana  
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**3. Capital Assets**

The District Attorney's investment in capital assets for its governmental activities as of December 31, 2018 and 2017 amounted to \$221,106 and \$231,612, respectively (net of accumulated depreciation). This investment in capital assets includes equipment, automobiles, furniture, leasehold improvements, and training facilities.

Capital asset additions totaled \$84,820 and \$94,747 and depreciation expense was \$95,327 and \$87,520 for the years ended 2018 and 2017.

Table 3 below shows the change in capital assets for the year ended December 31, 2018:

Table 3  
 Capital Assets at Year End

	2018	2017	Increase (Decrease)
Governmental activities:			
Transportation equipment	\$ 353,191	\$ 297,967	\$ 55,224
Furniture and fixtures	275,939	254,596	21,343
Office equipment	1,145,641	1,137,388	8,253
Training course	31,980	31,980	-
Leasehold improvements	168,337	168,337	-
Total at historical cost	<u>1,975,088</u>	<u>1,890,268</u>	<u>84,820</u>
Less accumulated depreciation:			
Transportation equipment	223,762	175,909	47,853
Furniture and fixtures	237,037	222,604	14,433
Office equipment	1,096,290	1,064,313	31,977
Training course	31,980	31,980	-
Leasehold improvements	164,913	163,849	1,064
Total accumulated depreciation	<u>1,753,982</u>	<u>1,658,655</u>	<u>95,327</u>
Governmental activities capital assets, net	<u>\$ 221,106</u>	<u>\$ 231,613</u>	<u>\$ (10,507)</u>

Additional information on the District Attorney's capital assets can be found in Note 4 of this report.

District Attorney of the Fourteenth Judicial District  
Calcasieu Parish, Louisiana  
Management's Discussion and Analysis  
December 31, 2018

**4. Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 42 of this report.

**5. Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 43 of this report.

A. Budgetary Comparison Schedule – The District Attorney adopts an annual appropriated budget for the General Fund and Worthless Check Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget beginning on page 44.

B. Analysis of Significant Budget Variances in the General Fund:

i. Revenues:

- a. Fines, forfeitures, program fees and intergovernmental revenues are estimated during the budget amendment process, which occurs during the month of November. Information regarding actual General Fund revenues becomes available only upon receipt from the disbursing agencies after year-end. Comparison of final budgetary amounts with actual amounts resulted in a favorable variance of \$26,562 related to these general revenues due to various sources providing more than anticipated during the budget process.
- b. Other revenues, including interest, provided for a favorable final budget variance of \$446 due to various sources providing more than anticipated income during the budget process.

ii. Expenditures:

- a. Budget variances for expenditures result from differences between anticipated expenditures and unexpected occurrences during the year.

District Attorney of the Fourteenth Judicial District  
Calcasieu Parish, Louisiana  
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**6. Economic Factors and Next Year's Budget**

The following factors were considered in preparing the District Attorney's budget for the 2019 fiscal year:

With regards to revenues, it is anticipated that the revenues in the General Fund will decrease approximately 22% due to decreases in court costs, bond forfeiture, drug forfeiture, and pre-trial diversion revenues compared to 2018 and the Special Revenue Fund will decrease approximately 68% compared to 2018.

With regard to expenditures, it is anticipated that the expenditures in the General Fund will decrease approximately 11% due decrease in legal and professional fees, public service announcement expenses and capital outlay purchases compared to 2018 and the Special Revenue Fund will decrease approximately 72% compared to 2018.

**Request for Information**

This financial report is designed to provide a general overview of the District Attorney's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ginger Ieyoub, 901 Lakeshore Dr, Lake Charles, Louisiana, 70601.

*INDEPENDENT AUDITORS' REPORT*



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Honorable John F. DeRosier  
District Attorney of the  
Fourteenth Judicial District  
Calcasieu Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Fourteenth Judicial District's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respect, the respective financial position of the governmental activities, business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information of pages 6 through 13 and 42 and 43, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Fourteenth Judicial District's basic financial statements. The schedule of compensation, benefits and other payments to agency head are presented for proposes of additional analysis and is not a required part of the basic financial statements.

This supplementary information is the responsibility of management and is derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable John F. DeRosier  
District Attorney of the Fourteenth Judicial District  
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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2019, on our consideration of the District Attorney of the Fourteenth Judicial District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Fourteenth Judicial District's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Joseph, Williams, Co., P.C.*

Lake Charles, Louisiana  
June 28, 2019

***BASIC FINANCIAL STATEMENTS***

**DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF NET POSITION  
December 31, 2018**

<b>ASSETS</b>	<u>2018</u>
Cash and cash equivalents	\$ 8,003,955
Investments, certificates of deposit at fair value	543,874
Intergovernmental receivables	17,238
Prepays	18,994
Capital assets, net of accumulated depreciation	<u>221,106</u>
Total Assets	<u><u>8,805,167</u></u>
 <b>LIABILITIES</b>	
Accounts payable	<u>99,818</u>
Total Liabilities	<u><u>99,818</u></u>
 <b>NET POSITION</b>	
Invested in capital assets	221,106
Unrestricted	<u>8,484,243</u>
Total Net Position	<u><u>\$ 8,705,349</u></u>

See accompanying notes and independent auditor's report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018**

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Judicial/Prosecution	4,956,288	\$ 3,968,409	\$ -	\$ (987,879)
 Total Governmental Activities	<u>\$ 4,956,288</u>	<u>\$ 3,968,409</u>	<u>\$ -</u>	<u>(987,879)</u>
General revenues:				
				10,268
				1,013,338
				190,500
				129
			Total general revenues and special items	<u>1,214,235</u>
			Change in net position	226,356
			Net position at beginning of year	<u>8,478,993</u>
			Net position end of year	<u>\$ 8,705,349</u>

See accompanying notes and independent auditor's report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2018**

	Governmental Funds			Total
	General Fund	Other Major Governmental Fund	Non-Major Governmental Fund	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 7,599,179	\$ 390,050	14,726	\$ 8,003,955
Investments, certificates of deposit at fair value	543,874	-	-	543,874
Intergovernmental receivable	17,238	-	-	17,238
Prepays	18,994	-	-	18,994
<b>Total Assets</b>	<b>\$ 8,179,285</b>	<b>\$ 390,050</b>	<b>\$ 14,726</b>	<b>\$ 8,584,061</b>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 99,818	\$ -	\$ -	\$ 99,818
<b>Total Liabilities</b>	<b>99,818</b>	<b>-</b>	<b>-</b>	<b>99,818</b>
Fund Balance:				
Unassigned	8,079,467	390,050	14,726	8,484,243
<b>Total Fund Balance</b>	<b>8,079,467</b>	<b>390,050</b>	<b>14,726</b>	<b>8,484,243</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,179,285</b>	<b>\$ 390,050</b>	<b>\$ 14,726</b>	<b>\$ 8,584,061</b>

See accompanying notes and independent auditor's report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUNDS - TO THE STATEMENT OF NET POSITION  
December 31, 2018**

FUND BALANCE OF GOVERNMENTAL FUNDS \$ 8,484,243

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

Capital asset used in governmental activities are not financial  
resources and, therefore, are not reported in the funds.  
Those assets consists of:

Cost of capital assets	\$ 1,975,087	
Less - accumulated depreciation	<u>(1,753,980)</u>	<u>221,107</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 8,705,350

See accompanying notes and independent auditor's report.

DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018

	Governmental Funds			
	Special Revenue Funds			Total
	General Fund	Other Major Governmental Fund	Non-Major Governmental Fund	
Revenues:				
Fines and forfeitures	\$ 2,984,352	\$ -	\$ -	\$ 2,984,352
Collection fees	-	246,326	-	246,326
Enrollment fees	417,100	-	-	417,100
Restitution	-	1,013,338	-	1,013,338
Intergovernmental	-	-	190,500	190,500
Other forfeitures	320,631	-	-	320,631
Interest	9,779	413	76	10,268
Other revenues	129	-	-	129
Total revenues	3,731,991	1,260,077	190,576	5,182,644
Expenditures:				
Current:				
Communications and technology	101,454	-	-	101,454
Dues, subscriptions and assessments	79,265	-	-	79,265
Joint service agreements	75,169	-	-	75,169
Legal and other professional	138,333	-	-	138,333
Miscellaneous expense	4,206	-	-	4,206
Office	284,126	89	-	284,215
Overhead paid to Calcasieu Parish Police Jury	1,614,112	110,000	-	1,724,112
Pretrial diversion/Victim assistance programs	1,107,893	-	-	1,107,893
Positive change initiative program	-	-	175,850	175,850
Restitution	-	995,037	-	995,037
Travel and seminars	149,155	-	-	149,155
Vehicles	26,272	-	-	26,272
Capital outlay, net of disposals	84,820	-	-	84,820
Total expenditures	3,664,805	1,105,126	175,850	4,945,781
Excess of revenues over expenditures	67,186	154,951	14,726	236,863
FUND BALANCES - BEGINNING OF PERIOD	8,012,281	235,099	-	8,247,380
FUND BALANCES - END OF PERIOD	\$ 8,079,467	\$ 390,050	\$ 14,726	\$ 8,484,243

See accompanying notes and independent auditor's report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUE,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018**

Total net change in fund balances - governmental fund-per the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 236,863
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital asset purchases, net of disposals	84,820	
Depreciation expense	<u>(95,327)</u>	
		<u>(10,507)</u>
Change in net position of governmental activities		<u>\$ 226,356</u>

See accompanying notes and independent auditor's report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS  
December 31, 2018**

	<u>SANE</u>	<u>Bond Forfeiture</u>	<u>Asset Forfeiture</u>	<u>Restitution</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 16,702	\$ 1,180,290	\$ 72,248	\$ 1,269,240
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 16,702</u>	<u>\$ 1,180,290</u>	<u>\$ 72,248</u>	<u>\$ 1,269,240</u>
<b>LIABILITIES</b>					
Due to other agencies	\$ -	\$ 16,702	\$ 1,180,290	\$ 72,248	\$ 1,269,240
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 16,702</u>	<u>\$ 1,180,290</u>	<u>\$ 72,248</u>	<u>\$ 1,269,240</u>

See accompanying notes and independent auditor's report.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 1 – INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Fourteenth Judicial District (“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, is the legal advisor to the grand jury, and performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of Calcasieu, Louisiana.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District Attorney have been prepared in conformity with governmental accounting principles generally accepted (“GAAP”) in the United States of America. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Government*, issued in June 1999.

B. REPORTING ENTITY

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

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

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

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. REPORTING ENTITY – (Continued)

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

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

This District Attorney's basic financial statements include both government-wide and fund financial statements.

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

The District Attorney's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District Attorney accompanied by a total column, which are considered to be governmental activities. Fiduciary activities of the District Attorney are not included in these statements. They are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District Attorney's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

A. *Government-Wide Financial Statements – (Continued)*

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District Attorney are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

B. *Governmental Fund Financial Statements*

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Attorney's functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District Attorney are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District Attorney has presented all major funds that met those qualifications

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District Attorney, are fines and forfeitures, collection fees, enrollment fees, and other forfeitures. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

***B. Governmental Fund Financial Statements – (Continued)***

Funds of the District Attorney are as follows:

*Governmental Fund Types:*

*General Fund*

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

*Special Revenue Fund*

Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the District Attorney to be accounted for separately. The special revenues funds of the District Attorney consist of the following:

*Special Revenue Major Governmental Fund*

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. 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.

*Special Revenue Non-Major Governmental Fund*

The Positive Change Fund consists of a cooperative endeavor agreement entered into between the District Attorney, the Calcasieu Parish School Board, the City of Lake Charles, the Calcasieu Parish Police Jury, and the Calcasieu Parish Sheriff's Office. The District Attorney implemented the program to protect, educate and counsel at risk youth of middle school age and their families/guardians from and in reference to the dangers of delinquent behavior.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

***B. Governmental Fund Financial Statements – (Continued)***

*Fiduciary Fund Type:*

*Agency Funds*

The agency funds are used to account for assets held by the District Attorney as an agent for other funds and/or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets. These funds are used to account for drug money seizures, bond forfeitures, gambling forfeitures, restitution and the SANE program until such time as the court orders disposition of such funds to various agencies as required by law or according to the program documents. Also, from time to time, the drug fund may be used to hold money as evidence until such time as the seizing agency requests the money for its purposes.

D. BUDGET PRACTICE

The District Attorney utilizes the following budget practices:

1. Formal budgeting integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles.
2. On December 1st of each year, a budget for the subsequent year is prepared for the general fund and the special revenue funds.
3. The District Attorney approves the budgets and it is available for public inspection no later than fifteen days prior to the beginning of the calendar year.
4. Any budgetary amendments must be approved by the District Attorney. During the year an amendment was made to the original budgets and is reflected in the budget comparison.
5. All budgetary appropriations lapse at year end.
6. The District Attorney does not use encumbrance accounting in the General Fund or Special Revenue Funds.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

F. CAPITAL ASSETS

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

Capital assets are recorded in the Statement of Net Position and Statement of Activities. All capital assets are depreciated using the straight-line method over the following useful lives:

Transportation equipment	5 years
Furniture and fixtures	7 years
Office equipment	5 years
Training course	7 years
Leasehold improvements	7-10 years

Since surplus assets are sold for an immaterial amount when declared no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes.

Capital assets used in the District Attorney's office (governmental fund type operations) acquired by the Police Jury are accounted for by the Police Jury.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

G. COMPENSATED ABSENCES

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

Employees of the District Attorney's office accrue vacation leave at varying rates according to years of continuous service. Unused vacation leave is accumulated and carried forward from one year to the next up to a maximum of sixty days total, and then it must be used or forfeited. Upon termination of employment, an employee will be compensated for accumulated vacation time not to exceed twenty-five days, on parish portion of salary only.

Employees of the District Attorney's office accrue 12 days of sick leave each year. Sick leave may be accumulated and carried forward from one year to the next up to a maximum of 180 days. No payment is made for accumulated sick leave upon termination of employment.

Employee benefits are paid from the Police Jury. Accordingly, no liabilities are accrued in the District Attorney's General Fund with respect to employee benefits.

H. ESTIMATES

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

I. EQUITY CLASSIFICATION

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

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

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

J. FUND EQUITY

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District Attorney is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Attorney. These 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 (ordinance or resolution) that was employed when the funds were initially committed.
- Assigned: This classification includes amounts that are constrained by the District Attorney's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Attorney or through the District Attorney delegating this responsibility to the District Attorney's manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes the residual fund balance for the General Fund

The District Attorney typically use restricted fund balances first, followed by committed, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

K. RECLASSIFICATION

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

L. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In June 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 87, “Leases.” The objective of this Statement is to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of GASB No. 87 must be implemented by the District Attorney for periods beginning after December 15, 2019, with earlier application encouraged. The effect of implementation of the statement of the District Attorney’s financial statements has not yet been determined.

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, “Fiduciary Activities.” GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASBS No. 84 replaces *agency funds* with *custodial funds*, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the District Attorney for periods beginning after December 15, 2018, with earlier application encouraged. The effect of implementation of this statement on the District Attorney’s financial statements has not yet been determined.

NOTE 3 – CASH AND CASH EQUIVALENT AND INVESTMENTS

As reflected in the accompanying statements, including the agency funds of \$1,269,240, the District Attorney had cash and cash equivalents totaling \$9,273,195, and investments totaling \$543,059, at December 31, 2018. The cash and cash equivalents of \$9,273,195 consisted of \$5,791,297 in interest bearing demand deposits and \$3,481,898 in money market accounts. Investments in certificates of deposit are stated at cost, which approximates market. These deposits (or the resulting bank balance) and investments must be secured under state law by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank (GASB Category 3) in a holding or custodial bank that is mutually acceptable to both parties. The deposits (bank balance) and investments at December 31, 2018, were secured as follows:

Bank Balance	\$ 9,301,369	Federal Deposit Insurance	\$ 750,000
Investments	543,874	Pledge Securities	9,508,994
	<u>\$ 9,845,243</u>		<u>\$ 10,258,994</u>

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 3 – CASH AND CASH EQUIVALENT AND INVESTMENTS – (Continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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. The certificate of deposit matures on June 10, 2019.

NOTE 4 – CAPITAL ASSETS

A summary of changes in Capital assets follows:

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018
<b>Governmental activities:</b>				
Transportation equipment	\$ 297,967	\$ 55,224	\$ -	\$ 353,191
Furniture and fixtures	254,596	21,343	-	275,939
Office equipment	1,137,388	8,253	-	1,145,641
Training course	31,980	-	-	31,980
Leasehold improvements	168,337	-	-	168,337
Total at historical cost	<u>1,890,268</u>	<u>84,820</u>	-	<u>1,975,088</u>
<b>Less accumulated depreciation:</b>				
Transportation equipment	175,909	47,853	-	223,762
Furniture and fixtures	222,604	14,433	-	237,037
Office equipment	1,064,313	31,977	-	1,096,290
Training course	31,980	-	-	31,980
Leasehold improvements	163,849	1,064	-	164,913
Total accumulated depreciation	<u>1,658,655</u>	<u>95,327</u>	-	<u>1,753,982</u>
Governmental activities capital assets, net	<u>\$ 231,613</u>	<u>\$ (10,507)</u>	<u>\$ -</u>	<u>\$ 221,106</u>

Depreciation was charged to governmental functions in the amount of \$95,327 for the year ended December 31, 2018. The entity had no infrastructure assets as of December 31, 2018.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 5 – PENSION PLANS

Pension Plan for District Attorney and Assistant District Attorneys:

Plan Description - The District Attorney and assistant District Attorneys are members of the District Attorneys' Retirement System (DARS) (hereinafter referred to as System), State of Louisiana is the administrator of a cost sharing, multiple-employer defined benefit pension plan and is governed by a Board of Trustees. The pension plan was established in 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

Pension expenditures are paid by the Police Jury's Criminal Court Fund. Accordingly, no expenditures have been recorded in the District Attorney's funds with respect to pension benefits.

Assistant District Attorneys who earn, as a minimum, the amount paid by the state for assistant District Attorneys and are under the age of 60 at the time of original employment and all District Attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provision, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 per cent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 per cent of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The system also provides death and disability benefits. Benefits are established or amended by state statute.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 5 – PENSION PLANS – (Continued)

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

Funding Policy - Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Criminal Court Fund is required to contribute at an actuarially determined rate. The current rate was 0% from January to June 2018 and 1.25% from July 2018 to December 2018. Contributions to the System also include 0.2% of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:62 and 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Police Jury's Criminal Court Fund contributions to the System for the years ending December 31, 2018, 2017, and 2016, were \$7,557, \$0-, and \$16,778, respectively, equal to the required contributions for each year.

Pension Plan (Other Than District Attorneys):

Plan Description. Effective April 1, 1997, certain employees became members of the Parochial Employees Retirement System of Louisiana. Substantially all employees, with the exception of the District Attorney and assistant District Attorneys, of the District Attorney of the Fourteenth Judicial District are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing multiple-employer (defined benefit), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Attorney are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Act 584 of 2006 implemented a new plan of benefits that includes changes in age requirements for members hired after January 1, 2007. Under the new plan, in order to qualify for normal retirement, employees are required to be 67 with 7 years of service or 62 with 10 years of service or 55 with 30 years of service. The benefit is calculated using the final five years of average compensation.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 5 – PENSION PLANS – (Continued)

However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980.

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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

Funding Policy – Plan members are required by statute to contribute 9.5% of their annual covered salary and the District Attorney of the Fourteenth Judicial District is required to contribute at an actuarially determined rate. For the period January 1, 2018 to December 31, 2018 the rate was 11.5%. Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney of the Fourteenth Judicial District's contributions to the System paid by the Police Jury for the years ending December 31, 2018, 2017, and 2016 were \$399,913, \$342,978 and \$340,127 respectively, equal to the required contributions for the year.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 6 – LEASES

The District Attorney has leased an automobile and equipment, which are classified as operating leases. Lease expense for the year ended December 31, 2018 was \$29,367. Future minimum lease payments over the remaining terms of the leases are as follows:

<u>Year Ending</u>	<u>Lease Payments</u>
2019	23,321
2020	22,901
2021	11,198
2022	7,297
2023	304
	<u>\$ 65,022</u>

NOTE 7 – LITIGATION AND CLAIMS

At December 31, 2018, the District Attorney of the Fourteenth Judicial District was involved in pending litigation for which unfavorable outcomes are unlikely.

NOTE 8 – RELATED PARTY TRANSACTIONS

The District Attorney reimburses the Police Jury for the cost of providing the District Attorney with salaries, payroll taxes, insurances, and other services as requested by the Police Jury. Amounts reimbursed to the Police Jury are quasi-external transactions, and as such, are expensed during the period incurred. Amounts reimbursed to the Police Jury for the year ended December 31, 2018 was \$1,614,112.

NOTE 9 - 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 Police Jury, or directly by the state.

Expenditures classified as “Overhead paid to Police Jury” recorded in the accompanying basic financial statements in the General Fund and Special Revenue Funds are reimbursements of certain overhead costs such as salaries and related benefits and other items paid by the Police Jury Criminal Court Fund.

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

NOTE 10 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	SANE Fund	Bond Forfeiture Fund	Asset Forfeiture Fund	Restitution Fund
Unsettled deposits beginning of year	\$ -	\$ 12,448	\$ 1,630,002	\$ 19,008
Deposits	101,000	93,981	1,577,896	296,613
Disbursements	<u>(101,000)</u>	<u>(89,727)</u>	<u>(2,027,608)</u>	<u>(243,373)</u>
Unsettled deposits end of year	<u>\$ -</u>	<u>\$ 16,702</u>	<u>\$ 1,180,290</u>	<u>\$ 72,248</u>

NOTE 11 – RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

NOTE 12 – SUBSEQUENT EVENTS

Management of the District Attorney of the Fourteenth Judicial District is not aware of any subsequent events through the date of the independent auditors' report, which is the date the financials were available to be issued, for events requiring recording or disclosures in the financial statements.

*REQUIRED SUPPLEMENTARY INFORMATION-PART II*

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**GOVERNMENTAL FUNDS - GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
General:				
Fines and forfeitures	\$ 2,910,000	\$ 2,767,521	\$ 2,984,352	\$ 216,831
Enrollment fees	425,000	425,000	417,100	(7,900)
Other forfeitures	150,000	318,000	320,631	2,631
Intergovernmental	-	185,000	-	(185,000)
Other:				
Other revenues	-	-	129	129
Interest	8,500	9,462	9,779	317
Total revenues	<u>3,493,500</u>	<u>3,704,983</u>	<u>3,731,991</u>	<u>27,008</u>
Expenditures:				
Current:				
Communications and technology	67,000	111,500	101,454	10,046
Dues	130,000	110,000	79,265	30,735
Joint service agreements	30,000	113,439	75,169	38,270
Legal and other professional	117,500	159,500	138,333	21,167
Miscellaneous expense	-	-	4,206	(4,206)
Office	282,100	420,392	284,126	136,266
Overhead paid to Calcasieu Parish				
Police Jury	1,500,000	1,618,700	1,614,112	4,588
Pretrial diversion/Victim assistance programs	1,100,050	1,157,279	1,107,893	49,386
Travel and seminars	175,000	186,000	149,155	36,845
Vehicles	25,000	45,000	26,272	18,728
Capital outlay	50,000	90,223	84,820	5,403
Total expenditures	<u>3,476,650</u>	<u>4,012,033</u>	<u>3,664,805</u>	<u>347,228</u>
Net change in fund balance	16,850	(307,050)	67,186	374,236
FUND BALANCES - BEGINNING OF PERIOD	<u>8,012,281</u>	<u>8,012,281</u>	<u>8,012,281</u>	<u>-</u>
FUND BALANCES - END OF PERIOD	<u>\$ 8,029,131</u>	<u>\$ 7,705,231</u>	<u>\$ 8,079,467</u>	<u>\$ 374,236</u>

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT  
PARISH OF CALCASIEU, LOUISIANA**

**OTHER MAJOR GOVERNMENTAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Collection fees	\$ 150,000	\$ 250,000	\$ 246,326	\$ (3,674)
Restitution	200,000	1,000,000	1,013,338	13,338
Interest	150	350	413	63
Total revenues	350,150	1,250,350	1,260,077	9,727
Expenditures:				
Current:				
Office	50	75	89	(14)
Restitution	200,000	1,000,000	995,037	4,963
Overhead paid to Calcasieu Parish				
Police Jury	110,000	110,000	110,000	-
Total expenditures	310,050	1,110,075	1,105,126	4,949
Excess of revenues over expenditures	40,100	140,275	154,951	14,676
FUND BALANCES - BEGINNING OF PERIOD	235,099	235,099	235,099	-
FUND BALANCES - END OF PERIOD	\$ 275,199	\$ 375,374	\$ 390,050	\$ 14,676

***SUPPLEMENTAL INFORMATION***

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
For the Year Ended December 31, 2018

Agency Head Name: John F. DeRosier

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 198,389
Benefits - insurance	14,968
Benefits - retirement	5,239
Benefits- other	324
Auto insurance	2,674
Auto lease	1,420
Auto maintenance	2,433
Auto purchase	55,223
Cellular and internet services	3,444
Dues and subscriptions	505
Fuel	2,366
Travel, meals and lodging	1,230
Special meals	833
Other	206
	<u>\$ 289,254</u>

*COMPLIANCE AND INTERNAL CONTROL*



# Langley, Williams & Company, L.L.C.

## CERTIFIED PUBLIC ACCOUNTANTS

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ALEXIS H. O'NEAL

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

Honorable John F. DeRosier  
District Attorney of the  
Fourteenth Judicial District  
Calcasieu Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated June 28, 2019.

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

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan that we consider to be significant deficiencies.

Item 01 – 18 (IC)

### ***Compliance and Other Matters***

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

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

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

### ***Purpose of this Report***

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

*Joseph, Williams, Co., LLP*

Lake Charles, Louisiana  
June 28, 2019

District Attorney of the Fourteenth Judicial District  
Parish of Calcasieu, Louisiana

SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN

December 31, 2018

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

**Financial Statements**

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?                           Yes              X   No

Significant deficiency identified not considered  
to be material weaknesses?

  X   Yes                   None reported

Noncompliance material to financial statements  
noted?

       Yes              X   No

**DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT**  
**Parish of Calcasieu, Louisiana**  
**Summary Schedule of Current and Prior Year Audit Findings**  
**and Corrective Action Plan**  
**For the Year Ended December 31, 2018**

SECTION II - FINANCIAL STATEMENT FINDINGS

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current year (12/31/18)						
Internal Control: 01 -18 (IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Calcasieu Parish District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	Ginger Ieyoub	NA
Compliance:	There were no matters involving compliance to be reported.					

**DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT**  
**Parish of Calcasieu, Louisiana**  
**Summary Schedule of Current and Prior Year Audit Findings**  
**and Corrective Action Plan**  
**For the Year Ended December 31, 2017**

Prior year (12/31/17)

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Internal Control: 01 - 17 (IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Calcasieu Parish District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	Ginger Ieyoub	NA

Compliance:

There were no matters involving compliance to be reported.



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

District Attorney of the Fourteenth Judicial District  
Calcasieu Parish  
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fourteenth Judicial District's Office ("DA") 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 from January 1, 2018 through December 31, 2018. 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

---

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.

There were no exceptions noted as a result of applying the above procedures.

#### ***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.

**The entity does not have a board or finance committee. The District Attorney is an elected official responsible for all oversight of the entity; therefore, this procedure is not applicable.**

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

**The entity does not have a board or finance committee. The District Attorney is an elected official responsible for all oversight of the entity; therefore, this procedure is not applicable.**

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

**Per the prior year audit report the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, making this procedure 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:

**We obtained a list of bank accounts from management and management's representation that the list was complete.**

- 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);

**There were no exceptions noted as a result of applying this procedure.**

- 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

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

### ***Collections***

---

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

**Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.**

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

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

**There were no exceptions noted as a result of this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

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

**Exception: No person responsible for collecting cash is bonded or covered by an insurance policy for theft.**

**Management's response: Since collections are required to be in the form of money orders, cashier's checks or online payments, management does not believe the benefit of bonding employees would justify the cost due to the limited risks.**

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

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- 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).

**Exception: The two deposits tested for the main operating account were not made within one day of collection. Deposits were made 2 to 15 days after collection.**

**Management's response: These dates were prior to the implementation of the new policies and procedures written by management. No further exceptions were noted after the implementation of the policies and procedures.**

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

**There were no exceptions noted as a result of applying this procedure.**

***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).

**Per discussion with management, we noted only one location processes payments for the fiscal period.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

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.

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

***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.

**We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and 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.]

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

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).

**Exception: In reviewing the transaction selected for the above procedures, we noted one charge that was not for a business use.**

**Management's response: Management has implemented a policy for any instances in which the cardholder accidentally uses the card for a personal use, he or she is required by policy to reimburse the DA's Office for the full amount of the charge. For the exception noted above, the employee reimbursed the DA's Office within one month of the charge.**

***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:

**Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.**

- 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](http://www.gsa.gov)).

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

- 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).

**There were no exceptions noted as a result of applying this procedure.**

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

**There were no exceptions noted as a result of applying this procedure.**

***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:

**We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities from management and management's representation that the listing is complete.**

- 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.

**None of the selected contracts are subject to bid law; therefore, this procedure is not applicable.**

- 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).

**Exception: There was no formal/written contract to support one of the five service arrangements tested.**

**Management's response: Management is currently in the process of obtaining a written contract for the one vendor.**

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

**There were no amendments during the fiscal period; therefore, this procedure is not applicable.**

- 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.

**There were no exceptions noted as a result of applying this procedure.**

***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.

**We obtained a listing of employees and management's representation that the listing is complete. Per discussion with management, all employees of the DA are paid through the Calcasieu Parish Police Jury; therefore, DA does not process or record payroll expenses.**

**Through discussion with management of the Calcasieu Parish Policy Jury and their external auditors, the employees of the DA are included in their population for payroll and personnel SAUP testwork.**

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.)

**Not applicable as the DA does not process or record payroll expenses.**

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

**Not applicable as the DA does not process or record payroll expenses.**

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

**Not applicable as the DA does not process or record payroll expenses.**

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.

**Not applicable as the DA does not process or record payroll expenses.**

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.

**Not applicable as the DA does not process or record payroll expenses.**

### ***Ethics***

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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.

**There were no exceptions noted as a result of applying this procedure.**

- 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.

**Exception: There was no documentation to support that the employees selected had read the entity's ethics policy during the fiscal period.**

**Management's response: Management will implement a procedure to require all employees to read the entity's ethics policy at the annual ethics training and verify this through signature and dating of the certificate.**

### ***Debt Service***

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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.

**No debt was issued during the fiscal period. Therefore, this procedure is not applicable.**

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.

**No debt was issued during the fiscal period. Therefore, this procedure is not applicable.**

### ***Other***

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

**Management has asserted that the entity did not have any misappropriations of public funds or assets.**

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

**The DA has posted on its premises and website the notice required by R.S. 24:523.1.**

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

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



Langley, Williams & Co. LLC  
Lake Charles, Louisiana  
June 28, 2019