

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

Financial Statements
For the Year Ended December 31, 2020

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of The District Attorney of the Fifth Judicial District (District Attorney), a component unit of the Richland Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of The District Attorney of the Fifth Judicial District, as of December 31, 2020, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8; the budgetary comparison information on pages 39 through 41; the schedule of proportionate share of the net pension liability and schedule of contributions related to the Parochial Retirement System and the District Attorney's Retirement System on pages 42 and 43, and the Schedule of Changes in Net OPEB Liability and Related Ratios on page 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 8, 2021, on my consideration of the District Attorney's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

West Monroe, Louisiana
September 8, 2021

David M. Hard, CPA (APAC)

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

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

Management's Discussion and Analysis (MD&A) December 31, 2020

This section of the annual financial report of the District Attorney of the Fifth Judicial District (District Attorney), presents management's discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2020. Please read this in conjunction with the District Attorney's financial statements, which follow this section.

Financial Highlights

The District Attorney's total net position from governmental activities decreased \$233,194 from the beginning of the fiscal year as a result of an decrease in bond forfeiture revenue and transfers from the Criminal Court Fund. Also, the areas of fines and fees and drug asset forfeiture fees decreased.

During the year ended December 31, 2020 the District Attorney's revenue decreased \$241,114 from the prior year, and total expenses increased \$236,223. The governmental activities reported unrestricted net position of \$610,003, which was a decrease of \$234,130 from the prior year.

Title IV-D fund realized a decrease in revenue of \$560 over the prior year. Expenses in this fund decreased by \$39,128 resulting in an overall increase to fund balance of \$36,288 due mostly to timing differences in expense reimbursement under the terms of the program.

Overview of the Financial Statements

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

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

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

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

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

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

Management's Discussion and Analysis (MD&A) December 31, 2020

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

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

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

Government-wide Statements

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

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

For instance:

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

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

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

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

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

Management's Discussion and Analysis (MD&A) December 31, 2020

Fund Financial Statements

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

The District Attorney has two kinds of funds:

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

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

Financial Analysis of the District Attorney as a Whole

Net Position - The District Attorney's combined net position decreased during 2020 by \$233,194 from the net position of \$844,133 at December 31, 2019, as shown in the following table.

Table 1
Net Position
December 31, 2020 and 2019

	Governmental Activities 2020	Governmental Activities 2019
Current and other assets	1,471,759	1,372,775
Capital assets	936	10,177
Total assets	1,472,695	1,382,952
Deferred Outflows	301,455	399,170
Current and other liabilities	965,243	865,069
Total liabilities	965,243	865,069

District Attorney of the Fifth Judicial District
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Management's Discussion and Analysis (MD&A) December 31, 2020

Deferred Inflows	197,968	72,919
Net Position		
Net investment in capital assets	936	10,177
Unrestricted	610,003	833,957
Total net position, restated	610,939	844,134

Changes in Net Position - The following condensed government-wide governmental activity statement illustrates the major changes in operations for the District Attorney as compared to 2019. The difference between the increase below and the increase in the preceding table is a prior period adjustment related to the pension disclosure.

Table 2
Changes in Net Position
For the Years Ended December 31, 2020 and 2019

	Governmental Activities 2020	Governmental Activities 2019
Revenues		
Program Revenues		
Charges for Services	657,607	836,115
General revenues		
Federal Support	205,248	205,505
State Support	328,750	320,000
Local Support	504,968	576,357
Earnings on investments and rents	5,664	5,374
Total Revenues	1,702,237	1,943,351
Functions/Program Expenses		
Governmental Activities		
Public Safety and Judicial Prosecution	1,935,431	1,699,209
Total Functions/Program Expenses	1,935,431	1,699,209
Increase (decrease) in net position	(233,194)	244,143
Net position – beginning of year (restated)	844,133	599,991
Net position – ending of year	610,939	844,134

The District Attorney's total governmental revenue decreased in 2020 by \$240,657 or 13%, and expenses decreased by \$236,473 or (13%), as compared to 2019.

Financial Analysis of the District Attorney's Funds

At the end of 2020, the District Attorney's governmental funds reported a combined fund balance of \$1,432,034 which was an increase of \$113,975 from the 2019 balance.

General Fund Budgetary Highlights

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

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

Management's Discussion and Analysis (MD&A) December 31, 2020

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

The General Fund's actual revenues were more than projected budgeted revenue amounts by \$216,291 due to a change in the transfers from the Criminal Court Fund.

The General Fund's actual expenditures were more than projected budgeted expenditure amounts by \$204,726, due to the change in budgeted transfers from Criminal Court Fund.

Capital Assets

At the end of 2020, the District Attorney had \$936 invested in a broad range of capital assets. This amount represents a net decrease (including additions, deductions, and depreciation) of \$9,241 or approximately 91%, from last year. For further detailed information, please refer to Note 6 in the Notes to the Financial Statement.

	December 31,	
	2020	2019
Autos and Equipment	\$ 936	\$ 10,177
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 936</u>	<u>\$ 10,177</u>

Economic Factors and Next Year's Budget

The District Attorney is dependent on the State of Louisiana for partial payment of the attorney's salaries, a portion of its overhead as well as some administrative costs. The economy has experienced a record high and a record low in 2020 due to the Coronavirus pandemic. The budget for 2021 is slightly more than the 2020 operating budget.

Contacting the District Attorney's Financial Management

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Statement of Net Position
December 31, 2020

	Governmental Activities
<i>Assets</i>	
Cash and Cash Equivalents	\$ 1,009,423
Investments	220,677
Accounts Receivable	138,275
Due from Other Agencies	103,384
Capital Assets:	
Depreciable	936
Total Assets	1,472,695
<i>Deferred Outflows of Resources</i>	
Prepaid Expenses	-
Resources Related to Pensions	301,455
Total Deferred Outflows of Resources	301,455
<i>Liabilities</i>	
Accounts Payable	\$ 35,374
Salaries Payable	1,250
Payroll Withholdings Payable	256
Compensated Absences Payable	35,883
Due to Other Agencies	2,845
Unfunded Post Retirement	
Benefit Plan Obligations	603,937
Net Pension Liability	285,698
Total Liabilities	965,243
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	197,968
<i>Net Position</i>	
Net Investment in Capital Assets	936
Net Position - Unrestricted	610,003
Total Net Position	\$ 610,939

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

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

Statement of Activities
For the Year Ended December 31, 2020

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities: Public Safety & Judicial Prosecution	\$ 1,935,431	\$ 657,607	\$ -	\$ -	\$ (1,277,824)

General Revenues:	
Federal Support	\$ 205,248
State Support	328,750
Local Support	504,968
Interest Earnings	5,664
Miscellaneous	-
Total General Revenues	1,044,630
Changes in Net Position	(233,194)
Net Position - Beginning	844,133
NET POSITION - ENDING	\$ 610,939

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

FUND FINANCIAL STATEMENTS

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

Balance Sheet, Governmental Funds
December 31, 2020

	Major Funds		
	General Fund	Title IV-D	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 874,992	\$ 134,431	\$ 1,009,423
Investments	167,610	53,067	220,677
Accounts Receivable	34,493	103,782	138,275
Prepaid Expense	-	-	-
Due from other Funds	226,856	-	226,856
Due from other Agencies	93,384	10,000	103,384
<u>Total Assets</u>	<u>\$ 1,397,335</u>	<u>\$ 301,280</u>	<u>\$ 1,698,615</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 35,374	\$ -	\$ 35,374
Due to Other Funds	-	226,856	226,856
Due to Other Agencies	2,418	427	2,845
Payroll Withholdings Payable	-	256	256
Salaries Payable	-	1,250	1,250
<u>Total Liabilites</u>	37,792	228,789	266,581
 <u>Fund Balance</u>			
Unassigned	1,359,543	72,491	1,432,034
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,397,335</u>	<u>\$ 301,280</u>	<u>\$ 1,698,615</u>

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

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

Balance Sheet, Governmental Funds
December 31, 2020

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

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

Fund Balance, Governmental Funds:	\$ 1,432,034
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	936
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(285,698)
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:	
Compensated absences payable	(35,883)
Net OPEB obligation	(603,937)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>103,487</u>
Net Position of Governmental Activities	<u><u>\$ 610,939</u></u>

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

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

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2020

	Major Funds		
	General Fund	Title IV-D	Total
<u>Operating Revenue</u>			
Fines, Fees and Bond Forfeitures	\$ 542,661	\$ -	\$ 542,661
Court Cost Fees	44,804	-	44,804
Interest Income	5,076	588	5,664
<u>Intergovernmental Revenue</u>			
Federal	-	205,248	205,248
State	328,750	-	328,750
Local	504,968	-	504,968
Drug Asset Forfeiture	21,223	-	21,223
Collection Fees	7,984	-	7,984
Total Operating Revenue	<u>1,455,466</u>	<u>205,836</u>	<u>1,661,302</u>
<u>Operating Expenditures</u>			
Current:			
General Government			
Personnel Services	1,136,412	175,071	1,311,483
Operating Services	178,212	23,398	201,610
Materials and Supplies	20,091	2,727	22,818
Travel and Other Charges	10,362	1,055	11,417
Capital Outlay	-	-	-
Total Operating Expenditures	<u>1,345,076</u>	<u>202,251</u>	<u>1,547,327</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	110,390	3,585	113,975
<u>Fund Balance - Beginning of the Year</u>	<u>1,249,153</u>	<u>68,906</u>	<u>1,318,059</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,359,543</u>	<u>\$ 72,491</u>	<u>\$ 1,432,034</u>

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

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

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2020

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

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

Net change in fund balances - total governmental funds	\$	113,975
<p>Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	-	
Less current year depreciation	(9,241)	(9,241)
<p>Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.</p>		
		(296,620)
<p>Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:</p>		
Change in compensated absences payable		(6,396)
Pension expense		(75,847)
Other parties' contributions to pension plans		40,935
		40,935
Changes in net position of governmental activities	\$	(233,194)

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

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

Statement of Fiduciary Assets and Liabilities
December 31, 2020

	Special Asset Forfeiture	Worthless Check Fund	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 65,219	\$ 5,125	\$ 70,344
TOTAL ASSETS	<u>65,219</u>	<u>5,125</u>	<u>70,344</u>
<u>LIABILITIES</u>			
Deposits Due Others	65,219	5,125	70,344
TOTAL LIABILITIES	<u>\$ 65,219</u>	<u>\$ 5,125</u>	<u>\$ 70,344</u>

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

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

Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	Special Asset Forfeiture	Worthless Check Fund	Total
<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 46,734	\$ 4,361	\$ 51,095
Collections	262,664	44,059	306,723
Disbursements	(244,179)	(43,295)	(287,474)
<u>BALANCE AT END OF YEAR</u>	<u>\$ 65,219</u>	<u>\$ 5,125</u>	<u>\$ 70,344</u>

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

B. Reporting Entity

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

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

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

C. Fund Accounting

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

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

Governmental Funds

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

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

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

Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney but may not be used to supplement the salary of the district attorney. In some years, overages in funding appear to occur due to salary accrual changes from year to year.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

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

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

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

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

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

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

Worthless Check Collection Fee - The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check.

D. Measurement Focus/Basis of Accounting

Government- Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements (FFS)

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

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

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

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

Revenues

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

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FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
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D. Measurement Focus/Basis of Accounting – (Continued)

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

Expenditures

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

E. Budgets

The District Attorney uses the following budget practices:

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

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

F. Cash and Cash Equivalents

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

G. Investments

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

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

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

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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I. Capital Assets

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

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

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

J. Compensated Absences

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

At December 31, 2020, employees have accumulated and vested \$35,883 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

K. Restricted Net Position

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

L. Fund Balance of Fund Financial Statements

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

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

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

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

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

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

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

M. Encumbrances

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

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

N. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

O. Estimates

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

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NOTES TO THE FINANCIAL STATEMENTS
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P. Deferred Outflows/Inflows of Resources

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

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

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

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$1,230,099 and the bank balance was \$1,026,979, which includes \$220,676 in certificates of deposit classified as investments.

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

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

NOTE 3 – ACCOUNTS RECEIVABLE

The following is a summary of receivables at December 31, 2020:

	<u>General Fund</u>	<u>Title IV-D Special Revenue Fund</u>	<u>Total</u>
Department of Health and Human Services	\$ -	\$103,782	\$103,782
Fines, Fees, and Bond Forfeitures	34,493	-	34,493
Total	<u>\$ 34,493</u>	<u>\$103,782</u>	<u>\$138,275</u>

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables at December 31, 2020:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 66,582	\$ -
Title IV-D	-	66,582
Total	<u>\$ 66,582</u>	<u>\$ 66,582</u>

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

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 and 2019 is as follows:

	December 31, 2019			December 31, 2020
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	\$181,439	-	-	\$181,439
Totals at Historical Cost	<u>181,439</u>	<u>-</u>	<u>-</u>	<u>181,439</u>

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NOTE 6 – CAPITAL ASSETS – Continued

Less Accumulated Depreciation for:				
Autos & Equipment	(171,262)	(9,241)	-	(180,503)
Total Accumulated Depreciation	(171,262)	(9,241)	-	(180,503)
<u>CAPITAL ASSETS, NET</u>	<u>\$ 10,177</u>	<u>\$ (9,241)</u>	<u>\$ -</u>	<u>\$ 936</u>

Depreciation expense was \$9,241 in 2020.

NOTE 7 – PENSION PLANS

Parochial Employees' Retirement System of Louisiana (System)

Plan Description

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

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

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

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

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

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable service.

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

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

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For the year ended December 31, 2020, the 5th Judicial District Attorney’s total payroll for all employees was \$685,995. Total covered payroll was \$442,446. Covered payroll refers to all compensation paid by the 5th Judicial District Attorney to active employees covered by the Plan.

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2020, the actual employer contribution rate was 12.25% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The 5th Judicial District Attorney’s contributions to the System under Plan A for the year ending December 31, 2020 were \$54,200.

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

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

At December 31, 2020, the Employer reported a liability of \$3,292 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 5th Judicial District Attorney’s proportion of the Net Pension Liability was based on a projection of the 5th Judicial District Attorney’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019, the 5th Judicial District Attorney’s proportion was 0.069932%, which was an increase of 0.003490% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the 5th Judicial District Attorney recognized pension expense of \$63,788 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$54,415). Total pension expense for the 5th Judicial District Attorney for the year ended December 31, 2020 was \$9,373.

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

	Deferred	Outflows	of	Deferred	Inflows	of
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DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
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	Resources	Resources
Differences between expected and actual experience	-	29,474
Changes in assumption	45,982	-
Net difference between projected and actual earnings on pension plan investments	-	123,414
Changes in employer's portion of beginning net pension liability	1,375	3,850
Differences between employer contributions and proportionate share of employer contributions	522	50
Subsequent measurement contributions	54,200	-
Total	102,079	156,788

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

Year ended December 31,	
2021	(23,876)
2022	(31,350)
2023	1,883
2024	(55,565)

Actuarial Assumptions

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

Valuation Date	December 31, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50% (net of investment expense, including inflation)
Expected remaining service lives	4 years
Projected salary increases	4.75%
Inflation Rate	2.40%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for

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	annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real Assets	2%	0.11%
Totals	<u>100%</u>	<u>5.18%</u>
Inflation		<u>2.00%</u>
Expected	arithmetic	<u>7.18%</u>
nominal return		

Discount Rate

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

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	355,842	3,292	(292,137)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$24,947, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

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

District Attorney’s Retirement System of Louisiana (System)

Plan Description

The 5th Judicial District Attorney contributes to the District Attorneys’ Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of Louisiana R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. All persons who are district attorneys of the State of Louisiana or assistant district attorneys in any parish shall become members as a condition of their employment, provided in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys.

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

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

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

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

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

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

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

For the year ended December 31, 2020, the 5th Judicial District Attorney's total payroll for all employees was \$328,750. Total covered payroll was \$245,799. Covered payroll refers to all compensation paid by the 5th Judicial District Attorney to active employees covered by the Plan.

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2020, the actual employer contribution rate was 4.00%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 5th Judicial District Attorney's contributions to the System for the year ending December 31, 2020 were \$9,832. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

At December 31, 2020, the Employer reported a liability of \$282,406 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 5th Judicial District Attorney's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the 5th Judicial District Attorney's proportion was 0.356451%, which was an increase of 0.024655% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the 5th Judicial District Attorney recognized pension expense of \$82,069 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$15,595). Total pension expense for the 5th Judicial District Attorney for the year ended December 31, 2020 was \$66,474.

At December 31, 2020, the 5th Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	13,453	26,961
Changes in assumptions	126,782	-
Net difference between projected and actual earnings on pension plan	45,783	-
Changes in employer's proportion of beginning net pension liability	3,328	9,389
Differences between employer and proportionate share of contributions	4,612	4,826
Subsequent measurement contributions	5,416	-
Total	199,375	41,176

The \$5,416 reported as deferred outflows of resources related to pensions resulting from the 5th Judicial District Attorney contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2021	32,003
2022	33,782
2023	41,069
2024	23,113
2025	18,400

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.25%, net of investment expense
Salary increases	5.00% (2.30% inflation, 2.70% merit)
Mortality rates	<p>Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale.</p>
Expected remaining service lives	6 years
Cost of Living Adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2014, through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The long-term expected rate of return on pension plan investments was determined using building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.50% for the year ended June 30, 2020.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

The best estimates of arithmetic real rates of return for each major asset class based on the System’s target asset allocation as of June 30, 2020, were as follows:

Asset Class	Target Allocation	Rates of Return	
		Real	Nominal
Equities	48.27%	5.54%	
Fixed income	24.54%	1.09%	
Alternatives	26.77%	1.87%	
Real estate	0.42%	0.00%	
Totals	100%		6.11%
Inflation			2.39%
Expected arithmetic nominal return			8.50%

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

The following presents the 5th Judicial District Attorney’s proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the Police Jury’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.25%) or one percentage-point higher (7.25%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	515,870	282,406	86,775

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE PROGRAM

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

For the year ended December 31, 2020, the District Attorney for the Fourth Judicial District expended \$205,248 for the program.

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

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

NOTE 9 - AGENCY FUNDS

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

	Balance at Beginning of <u>Year</u>	<u>Additions</u>	<u>Reductions</u>	Balance at End of <u>Year</u>
Special Asset Forfeiture Fund	\$ 46,734	\$ 262,664	\$244,179	\$ 65,219
Worthless Check Fund	<u>4,361</u>	<u>44,059</u>	<u>43,295</u>	<u>5,125</u>
Total	<u>\$ 51,095</u>	<u>\$306,723</u>	<u>\$287,474</u>	<u>\$ 70,344</u>

NOTE 10 - STEWARDSHIP AND ACCOUNTABILITY

Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following fund had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2020:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Fines, Fees and Bond Forfeitures	\$ 750,495	\$ 542,661	\$ (207,834)
Court Cost Fees	\$ 60,400	\$ 44,804	\$ (15,596)
General Fund Personnel Services	\$ 800,400	\$ 1,136,412	\$ (336,012)

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LITIGATION AND CLAIMS

At December 31, 2020, the District Attorney is not involved in any litigation, nor is she aware of any unasserted claims.

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

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

NOTE 13 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

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

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

Life insurance coverage is not considered for this valuation.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1
	3

Total OPEB Liability

The District Attorney’s total OPEB liability of \$603,937 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Inflation	2.0%
Salary increases	3.0%, including inflation
Discount rate	2.74% annually (Beginning of Year to Determine ADC) 2.12%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2020, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2020.

Changes in the Total OPEB Liability

Balance at December 31, 2019	<u>\$ 307,317</u>
Changes for the year:	
Service cost	-
Interest	8,420
Differences between expected and actual experience	219,314
Changes in assumptions	77,154
Benefit payments and net transfers	<u>(8,268)</u>
Net changes	<u>296,620</u>
Balance at December 31, 2020	<u><u>\$ 603,937</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	\$ 691,731	\$ 603,937	\$ 532,352

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 536,146	\$ 603,937	\$ 684,871

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

For the year ended December 31, 2020, the District Attorney recognized OPEB expense of \$304,888. At December 31, 2020, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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

Years ending December 31:

2021	0
2022	0
2023	0
2024	0
2025	0
Thereafter	0

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 8, 2021, which is the day the financial statements were available to be issued, and it has been determined that one significant event requires disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

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

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended December 31, 2020**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	Original	Final		
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	750,495	750,495	\$ 542,661	\$ (207,834)
Court Cost Fees	60,400	60,400	44,804	(15,596)
Interest Income	1,715	1,715	5,076	3,361
Intergovernmental Revenue				
State	-	-	328,750	328,750
Local	407,465	407,465	504,968	97,503
Drug Asset Forfeiture	3,800	3,800	21,223	17,423
Collection Fees	15,300	15,300	7,984	(7,316)
Other Revenues	-	-	-	-
Total Operating Revenues	<u>\$1,239,175</u>	<u>\$1,239,175</u>	<u>\$1,455,466</u>	<u>\$216,291</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	800,400	800,400	1,136,412	(336,012)
Operating Services	300,250	300,250	178,212	122,038
Materials and Supplies	16,000	16,000	20,091	(4,091)
Travel and Other Charges	23,700	23,700	10,362	13,338
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,140,350</u>	<u>1,140,350</u>	<u>1,345,076</u>	<u>(204,726)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	98,825	98,825	110,390	11,565
<u>Fund Balance - Beginning of the Year</u>	1,249,153	1,249,153	1,249,153	-
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,347,978</u>	<u>\$ 1,347,978</u>	<u>\$ 1,359,543</u>	<u>\$ 11,565</u>

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

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

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
Special Revenue - Title IV-D
For the Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenue</u>				
Intergovernmental Revenue	\$ 206,532	\$ 206,532	\$ 205,248	\$ (1,284)
Interest Income	-	-	588	588
Total Operating Revenues	<u>206,532</u>	<u>206,532</u>	<u>205,836</u>	<u>(696)</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	173,790	173,790	175,071	(1,281)
Operating Services	27,087	27,087	23,398	3,689
Materials and Supplies	4,855	4,855	2,727	2,128
Travel and Other Charges	800	800	1,055	(255)
Capital Outlay	-	-	-	-
Total Expenditures	<u>206,532</u>	<u>206,532</u>	<u>202,251</u>	<u>4,281</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	-	-	3,585	3,585
<u>Fund Balance - Beginning of the Year</u>	<u>68,906</u>	<u>68,906</u>	<u>68,906</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 68,906</u>	<u>\$ 68,906</u>	<u>\$ 72,491</u>	<u>\$ 3,585</u>

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2020

A. BUDGETS

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

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

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

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

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

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

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the District Attorney. Legally, the District Attorney must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the District Attorney to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

B. UNFAVORABLE BUDGET VARIANCE

Actual revenues less than budgeted revenues:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
Fines, Fees and Bond Forfeitures	\$ 750,495	\$ 542,661	\$ (207,834)
Court Cost Fees	\$ 60,400	\$ 44,804	\$ (15,596)

Actual expenditures greater than budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable</u> <u>Variance</u>
General Fund Personnel Services	\$ 800,400	\$ 1,136,412	\$ (336,012)

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

Parochial Retirement System
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2020

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.08639%	\$ 23,620	\$ 364,671	6%	87.34%
2016	0.06360%	\$ 167,419	\$ 393,160	43%	99.23%
2017	0.06629%	\$ 136,533	\$ 426,998	32%	82.10%
2018	0.06937%	\$ (51,492)	\$ 449,705	-11%	102.00%
2019	0.07342%	\$ 325,969	\$ 449,705	72%	88.86%
2020	0.06993%	\$ 3,292	\$ 443,470	0.74%	99.89%

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

District Attorney's Retirement System
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2020

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.42157%	\$ 22,708	\$ 247,204	9.19%	98.56%
2016	0.40704%	\$ 77,910	\$ 266,917	29.19%	95.09%
2017	0.33787%	\$ 91,132	\$ 231,621	39.35%	93.57%
2018	0.37517%	\$ 120,728	\$ 230,408	52.40%	92.92%
2019	0.38111%	\$ 122,603	\$ 224,018	54.73%	93.13%
2020	0.35645%	\$ 282,406	\$ 218,624	129.17%	84.86%

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

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

Parochial Retirement System
Schedule of Employer Contributions
For the Year Ended December 31, 2020

Fiscal Year	(b)		(a-b)	Agency's covered payroll	Contributions as a percentage of covered payroll
	(a)	Contributions in relation to the statutorily required contribution			
	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency		
2015	\$ 52,877	\$ 52,877	\$ -	\$ 364,671	14.50%
2016	\$ 51,111	\$ 51,111	\$ -	\$ 393,160	13.00%
2017	\$ 53,375	\$ 53,375	\$ -	\$ 426,998	12.50%
2018	\$ 51,716	\$ 51,716	\$ -	\$ 449,705	11.50%
2019	\$ 50,999	\$ 50,999	\$ -	\$ 443,470	11.50%
2020	\$ 54,200	\$ 54,200	\$ -	\$ 442,446	12.25%

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

District Attorney's Retirement System
Schedule of Employer Contributions
For the Year Ended December 31, 2020

Fiscal Year	(b)		(a-b)	Agency's covered payroll	Contributions as a percentage of covered payroll
	(a)	Contributions in relation to the statutorily required contribution			
	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency		
2015	\$ 17,305	\$ 17,305	\$ -	\$ 247,204	7.00%
2016	\$ 9,342	\$ 9,342	\$ -	\$ 266,917	3.50%
2017	\$ -	\$ -	\$ -	\$ 231,621	0.00%
2018	\$ -	\$ -	\$ -	\$ 230,408	0.00%
2019	\$ 5,714	\$ 5,714	\$ -	\$ 218,972	2.61%
2020	\$ 9,832	\$ 9,832	\$ -	\$ 245,799	4.00%

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND AND WEST CARROLL
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ -	\$ -	\$ -
Interest	10,458	11,038	8,420
Changes of Benefit Terms	-	-	-
Changes Between Expected and Actual Experience	(17,235)	(4,700)	219,314
Changes of Assumptions	(20,181)	40,018	77,154
Benefit Payments	(7,832)	(8,263)	(8,268)
Net Change in Total OPEB Liability	<u>(34,790)</u>	<u>38,093</u>	<u>296,620</u>
 Total OPEB Liability - Beginning	 <u>304,014</u>	 <u>269,224</u>	 <u>307,317</u>
 Total OPEB Liability - Ending (a)	 <u>\$ 269,224</u>	 <u>\$ 307,317</u>	 <u>\$ 603,937</u>
 Covered Payroll	 \$ 135,000	 \$ 139,050	 \$ 3,900
Net OPEB Liability as a Percentage of Covered-Employee Payroll	199.43%	221.01%	1548.56%
 Notes to Schedule:			
Benefit Change:	None	None	None
 Changes of Assumptions:			
Discount Rate:	4.10%	2.74%	2.12%
Mortality:	RP-2000	RP-2000	RP-2014
Trend:	5.5%	5.5%	Variable

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

OTHER SUPPLEMENTAL INFORMATION

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

**Schedule of Compensation, Reimbursements, Benefits
and Other Payments to Agency Head
Political Subdivision Head, or Chief Executive Officer
For the Year Ended December 31, 2020**

<u>Purpose</u>	Penny Douciere District Attorney	John M. Lancaster Retired
Salary - Non Support	\$ 8,427	\$ 2,045
Salary - General Fund	77,246	34,301
Salary - State of Louisiana	38,750	12,500
Benefits - Insurance	8,632	5,362
Benefits - Retirement	12,742	3,341
Travel and other	1,552	243
	<hr/>	<hr/>
Total	<u>\$ 147,349</u>	<u>\$ 57,792</u>

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

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected	\$ 857,539	\$ 823,800
Add: Collections		
Bond Fees	25,381	27,179
Asset Forfeiture	244,200	18,492
Check Collection	25,619	18,439
Check Collection Fees	7,468	3,997
Diversion - West Carroll	50	500
Diversion - Richland	182,183	141,333
Diversion - Franklin	75	-
Diversion - Juvenile	600	250
Intrest on Collected Balances	219	2,211
Total Collections	485,796	212,401
Less: Disbursements to Governments		
District Attorney's Office - Check Collection Fees	3,861	2,826
Richland Parish Sheriff's Office - Check Collection Fees	3,607	1,172
Richland Parish Clerk of Court - Asset Forfeiture/Sale	-	375
Louisiana District Attorney's Association - Asset Forfeiture/Sale	-	1,072
Fifth JD Criminal Court Fund - Asset Forfeiture/Sale	-	21,146
Louisiana State Police - Diversion Expense	97,267	93,983
Richland Parish Sheriff's Office - Diversion Expense	10,057	34,744
Less: Disbursements to Individuals		
Other Disbursements to Individuals - Asset Forfeiture/Sale	-	137,000
Other Disbursements to Individuals - Check Collection	17,446	15,030
Total Disbursements	132,238	307,347
Ending Balance of Amounts Collected but not Disbursed	<u>\$ 1,211,097</u>	<u>\$ 728,853</u>

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

Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session

		First Six	Second Six
		Month Period	Month Period
		Ended	Ended
		6/30/2020	12/31/2020
Receipts From:			
West Carroll Parish Sheriff's Office - FINES		9,443	9,571
Richland Parish Sheriff's Office - FINES		69,157	61,651
Franklin Parish Sheriff's Office - FINES		9,284	13,265
West Carroll Parish Sheriff's Office - COST		5,341	5,299
Richland Parish Sheriff's Office - COST		13,422	15,526
Franklin Parish Sheriff's Office - COST		3,260	5,433
Franklin Parish Sheriff's Office - DA COST OF PROSECUTION		-	250
West Carroll Parish Sheriff's Office - 2% Bond Forf		5,002	5,989
Richland Parish Sheriff's Office - 2% Bond Forf		9,972	10,690
Franklin Parish Sheriff's Office - 2% Bond Forf		10,407	10,501
West Carroll Parish Sheriff's Office - Reinstatement Fees		225	300
Richland Parish Sheriff's Office - Reinstatement Fees		5,400	4,798
Franklin Parish Sheriff's Office - Reinstatement Fees		750	425
Interest on Collected Balances		219	2,211
	Total Receipts	\$ 141,882	\$ 145,909

OTHER SUPPLEMENTAL INFORMATION –
COMPLIANCE REQUIREMENTS

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fifth Judicial District (District Attorney), as of and for the year ended December 31, 2020, 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 September 8, 2021.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as 2020-1 that I consider to be a significant deficiency.

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

Compliance and Other Matters

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

District Attorney's Response to Findings

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

Purpose of this Report

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

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

David M. Hart, CPA (APAC)

West Monroe, Louisiana
September 8, 2021

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

I have audited the financial statements of the District Attorney of the Fifth Judicial District (District Attorney), a component unit of the Franklin, Richland, and West Carroll Parish Police Juries as of and for the year ended December 31, 2020 and have issued my report thereon dated September 8, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2020, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards – N/A

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

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

Unqualified Qualified

Disclaimer Adverse

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

C. Identification of Major Programs: N/A

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

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

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

2020-1 Inadequate Segregation of Duties

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

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

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

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

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

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

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

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

2019-1 Inadequate Segregation of Duties

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

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

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

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

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

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

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

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

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.