

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

*Financial Statements*  
*For the Year Ended December 31, 2018*

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT  
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the District Attorney of  
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, 2018, 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, 2018, 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 on pages 3 through 9; the budgetary comparison information on pages 43 and 45; 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 46 and 47 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 Board of Commissioners is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2019, on my consideration of the District Attorney's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*David M. Hault, CPA (APAC)*

West Monroe, Louisiana  
June 25, 2019

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

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, 2018. Please read this in conjunction with the District Attorney's financial statements, which follow this section.

In fiscal year 2018, the District Attorney adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 72-Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- *Statement No. 73-Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASE 68, and Amendment to Certain Provision of GASE Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.
- *Statement No. 77- Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. The District Attorney currently does not collect any ad valorem taxes that would be subject to Statement No. 77.

### **Financial Highlights**

The following table exhibits some of the more important highlights of the financial results from the year ended December 31, 2018:

The District Attorney's total net position from governmental activities increased \$61,016 from the beginning of the fiscal year as a result of an increase in bond forfeiture revenue and transfers from the Criminal Court Fund. Also, the areas of fines and fees and drug asset forfeiture fees increased.

During the year ended December 31, 2018 the District Attorney's revenue increased \$832,658 from the prior year, likewise, expenses increased \$803,019 from the prior year as a result of a budgeted increase in transfers from the Criminal Court Fund. The governmental activities reported unrestricted net position of \$820,431, which was an increase of \$34,905 from the prior year.

Title IV-D fund realized an increase in revenue of \$6,844 over the prior year. Expenses in this fund increased by \$9,964 resulting in an overall decrease to fund balance of \$3,120 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.

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.

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

Management's Discussion and Analysis (MD&A) December 31, 2018

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

Major Features of District Attorney's		Exhibit 1 Government-wide and Fund Financial Statements	
	GOVERNMENT- WIDE STATEMENTS	FUND STATEMENTS	
		Governmental Funds	Fiduciary Funds (Agency)
Scope	The entire District Attorney governmental unit (excluding fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary, such as public safety and the IV-D program	Instances in which the District Attorney is the trustee or agent for someone else's resources, such as seized drug assets awaiting forfeiture
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenue, expenditures and changes in fund balances	Statements of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset, liability and deferred inflows/outflows	All assets, liabilities and deferred inflows/outflows both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included	All assets and liabilities, both short-term and long-term; the District Attorney's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year regardless of when cash is paid or received	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	No revenues or expenses recorded for agency funds

**Management's Discussion and Analysis (MD&A) December 31, 2018**

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**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.

**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.

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

**Management's Discussion and Analysis (MD&A) December 31, 2018**

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

**Financial Analysis of the District Attorney as a Whole**

*Net Position* - The District Attorney's combined net position increased during 2018 by \$25,836 or 3.2%, from the net position of \$812,973 at December 31, 2017, as shown in the following table.

	2018	2017	Variance
Assets			
Other Assets	\$ 1,273,259	\$ 1,078,444	\$ 194,815
Capital Assets	<u>18,378</u>	<u>27,447</u>	<u>( 9,069)</u>
Total Assets	<u>1,291,637</u>	<u>1,105,891</u>	<u>185,746</u>
Deferred Outflows	<u>461,089</u>	<u>250,184</u>	<u>(210,905)</u>
Liabilities			
Other Liabilities	73,359	73,314	45
Long-term Liabilities	<u>588,761</u>	<u>410,614</u>	<u>(178,147)</u>
Total Liabilities	<u>662,120</u>	<u>483,928</u>	<u>(178,192)</u>
Deferred Inflows	<u>251,797</u>	<u>59,174</u>	<u>192,623</u>
Net Position			
Invested in Capital Assets	18,378	27,447	( 9,069)
Unrestricted (Restated)	<u>820,431</u>	<u>785,526</u>	<u>34,905</u>
Total Net Position	<u>\$ 838,809</u>	<u>\$ 812,973</u>	<u>\$ 25,836</u>

*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 2017. The difference between the increase below and the increase in the preceding table is a prior period adjustment related to the pension disclosure.

	2018	2017
Revenue	\$ 1,886,956	\$ 1,649,378
Expenses	<u>(1,825,940)</u>	<u>(1,583,311)</u>
Increase (Decrease)	<u>\$ 61,016</u>	<u>\$ 66,067</u>

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

**Management's Discussion and Analysis (MD&A) December 31, 2018**

The District Attorney's total governmental revenue increased in 2018 by \$237,578 or 14.0%, and expenses increased by \$242,629 or 15%, as compared to 2017.

Revenues:			
Charges for services	\$ 877,711	\$ 464,143	\$ 413,568
General Revenues			-
Intergovernmental:			-
Federal Support	207,027	200,450	6,577
State Support	322,000	345,000	(23,000)
Local support	476,793	402,500	74,293
Interest and investment earnings	3,426	1,925	1,501
Miscellaneous	-	10,115	(10,115)
Total revenues	<u>1,886,957</u>	<u>1,616,713</u>	<u>270,244</u>
Expenses			
Public safety and judicial prosecution	<u>1,692,187</u>	<u>1,491,811</u>	<u>200,376</u>
Total expenses	<u>1,692,187</u>	<u>1,491,811</u>	<u>200,376</u>
Increase (decrease) in net position	194,770	124,902	69,868
Net position- beginning	<u>1,005,130</u>	<u>880,228</u>	<u>124,902</u>
Net position- ending	<u>\$ 1,199,900</u>	<u>\$ 1,005,130</u>	<u>\$ 194,770</u>

**Financial Analysis of the District Attorney's Funds**

At the end of 2018, the District Attorney's governmental funds reported a combined fund balance of \$1,199,900 which was an increase of \$194,770 from the 2017 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. (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 \$445,435 due to a change in the transfers from the Criminal Court Fund.

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

**Management's Discussion and Analysis (MD&A) December 31, 2018**

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The General Fund's actual expenditures were less than projected budgeted expenditure amounts by \$466,517, due to the change in budgeted transfers from Criminal Court Fund.

**Capital Assets**

At the end of 2018, the District Attorney had \$18,378 invested in a broad range of capital assets. This amount represents a net decrease (including additions, deductions, and depreciation) of \$9,068 or approximately 33%, from last year. For further detailed information, please refer to Note 6 in the Notes to the Financial Statement.

	December 31,	
	2018	2017
Autos and Equipment	<u>\$ 18,378</u>	\$ 27,446
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,378</u>	<u>\$ 27,446</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 is not expected to generate any significant growth or reversals. The budget for 2019 is slightly more than the 2018 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 389, 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, 2018**

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 844,339
Investments	214,688
Accounts Receivable	124,234
Due from Other Agencies	89,998
Capital Assets:	
Depreciable	<u>18,378</u>
Total Assets	<u>1,291,637</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	461,089
<i>Liabilities</i>	
Accounts Payable	\$ 31,577
Salaries Payable	30,844
Payroll Withholdings Payable	10,938
Compensated Absences Payable	22,636
Unfunded Post-retirement Benefit Plan Obligations	269,224
Net Pension Liability	<u>296,901</u>
Total Liabilities	662,120
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	251,797
<i>Net Position</i>	
Net Investment in Capital Assets	18,378
Net Position - Unrestricted	<u>820,431</u>
Total Net Position	<u><u>\$ 838,809</u></u>

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

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

**Statement of Activities**  
**For the Year Ended December 31, 2018**

	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	\$ 1,825,940	\$ 1,084,737	\$ -	\$ -	\$ (741,203)
			General Revenues:		
			State Support		\$ 322,000
			Local Support		476,793
			Interest Earnings		3,426
			Miscellaneous		-
			Total General Revenues		802,219
			Changes in Net Position		61,016
			Net Position - Beginning (restated)		777,793
			NET POSITION - ENDING		\$ 838,809

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, 2018**

	Major Funds		
	General Fund	Title IV-D	Total
<u>Assets</u>			
Cash and Cash Equivalents	\$ 815,727	\$ 28,612	\$ 844,339
Investments	163,095	51,593	214,688
Accounts Receivable	37,577	86,657	124,234
Due from other Funds	98,858	-	98,858
Due from other Agencies	79,848	10,150	89,998
<u>Total Assets</u>	<u>\$ 1,195,105</u>	<u>\$ 177,012</u>	<u>\$ 1,372,117</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 24,609	\$ 6,968	\$ 31,577
Due to Other Funds	-	98,858	98,858
Payroll Withholdings Payable	10,938	-	10,938
Salaries Payable	30,844	-	30,844
<u>Total Liabilites</u>	66,391	105,826	172,217
<u>Fund Balance</u>			
Unassigned	1,128,714	71,186	1,199,900
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,195,105</u>	<u>\$ 177,012</u>	<u>\$ 1,372,117</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, 2018**

**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:	\$ 1,199,900
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	18,378
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(296,901)
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements:	
Compensated absences payable	(22,636)
Net OPEB obligation	(269,224)
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>209,292</u>
Net Position of Governmental Activities	<u><u>\$ 838,809</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, 2018**

	Major Funds		Total
	General Fund	Title IV-D	
<u>Operating Revenue</u>			
Fines, Fees and Bond Forfeitures	\$ 791,463	\$ -	\$ 791,463
Court Cost Fees	49,708	-	49,708
Interest Income	2,807	619	3,426
Intergovernmental Revenue			
Federal	-	207,027	207,027
State	322,000	-	322,000
Local	476,793	-	476,793
Drug Asset Forfeiture	15,277	-	15,277
Collection Fees	21,263	-	21,263
Other	-	-	-
Total Operating Revenue	<u>1,679,311</u>	<u>207,646</u>	<u>1,886,957</u>
<u>Operating Expenditures</u>			
Current:			
General Government			
Personnel Services	1,186,775	180,920	1,367,695
Operating Services	240,355	28,570	268,925
Materials and Supplies	22,346	4,244	26,590
Travel and Other Charges	27,414	1,563	28,977
Capital Outlay	-	-	-
Total Operating Expenditures	<u>1,476,890</u>	<u>215,297</u>	<u>1,692,187</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	202,421	(7,651)	194,770
<u>Fund Balance - Beginning of the Year</u>	<u>926,293</u>	<u>78,837</u>	<u>1,005,130</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,128,714</u>	<u>\$ 71,186</u>	<u>\$ 1,199,900</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, 2018**

**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	\$	194,770
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	-	
Less current year depreciation	(9,068)	(9,068)
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.		
		(107,996)
Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities:		
Change in compensated absences payable		(915)
Pension expense		(53,720)
Other parties' contributions to pension plans		37,945
		<hr/>
Changes in net position of governmental activities	\$	<u>61,016</u>

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

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

**Statement of Fiduciary Assets and Liabilities**  
**December 31, 2018**

	Special Asset Forfeiture	Worthless Check Fund	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 41,404	\$ 5,220	\$ 46,624
TOTAL ASSETS	<u>41,404</u>	<u>5,220</u>	<u>46,624</u>
<u>LIABILITIES</u>			
Deposits Due Others	41,404	5,220	46,624
TOTAL LIABILITIES	<u>\$ 41,404</u>	<u>\$ 5,220</u>	<u>\$ 46,624</u>

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT  
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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.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

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

C. Fund Accounting

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

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

**Governmental Funds**

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

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

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

Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney but may not be used to supplement the salary of the district attorney.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fiduciary Funds**

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

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

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

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

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

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

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

D. Measurement Focus/Basis of Accounting

*Government- Wide Financial Statements*

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

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

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

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

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

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

*Fund Financial Statements (FFS)*

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

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

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

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

*Revenues*

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors.

Grants are recorded when the District Attorney of the Fifth Judicial District is entitled to the funds.

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

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

*Expenditures*

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

E. Budgets

The District Attorney uses the following budget practices:

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

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

F. Cash and Cash Equivalents

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

G. Investments

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

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

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

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

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I. Capital Assets

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

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

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

J. Compensated Absences

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

At December 31, 2018, employees have accumulated and vested \$22,636 of employee leave benefits 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.

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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.

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.

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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.

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.

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

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$1,059,027 and the bank balance was \$1,161,633, which includes \$214,688 in certificate of deposits classified as investments.

These deposits are reported as follows: Statement A - cash and cash equivalents, \$844,339, Statement A investments \$214,688, Statement G - cash and cash equivalents \$46,624. 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, 2018:

	<u>General Fund</u>	Title IV-D Special Revenue <u>Fund</u>	<u>Total</u>
Department of Health and Human Services	\$ -	\$ 86,657	\$ 86,657
Fines, Fees, and Bond Forfeitures	<u>37,577</u>	<u>-</u>	<u>37,577</u>
Total	<u>\$ 37,577</u>	<u>\$ 86,657</u>	<u>\$ 124,234</u>

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables at December 31, 2018:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 98,858	\$ -
Title IV-D	<u>-</u>	<u>98,858</u>
Total	<u>\$ 98,858</u>	<u>\$ 98,858</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.

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NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 and 2017 is as follows:

	December 31, 2017			December 31, 2018
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	\$ 180,399	-	-	\$ 180,399
Totals at Historical Cost	180,399	-	-	180,399
Less Accumulated Depreciation for:				
Autos & Equipment	(152,953)	(9,068)	-	(162,021)
Total Accumulated Depreciation	(152,953)	(9,068)	-	(162,021)
 <u>CAPITAL ASSETS, NET</u>	 <u>\$ 27,446</u>	 <u>\$ (9,068)</u>	 <u>\$ -</u>	 <u>\$ 18,378</u>

Depreciation expense was \$9,068 in 2018.

NOTE 7 – PENSION PLANS

Parochial Employees' Retirement System of Louisiana (System)

*Plan Description*

The District Attorney of the Fifth Judicial District 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. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join 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. Employees of the 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.

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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 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.

For the year ended December 31, 2018, the District Attorney of the Fifth Judicial District's total payroll for all employees was \$1,128,516. Total covered payroll was \$449,705. Covered payroll refers to all compensation paid by the District Attorney of the Fifth Judicial District to active employees covered by the Plan.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

#### *Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 11.5% 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.

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 District Attorney of the Fifth Judicial District to the System monthly. The District Attorney of the Fifth Judicial District's contributions to the System under Plan A for the year ending December 31, 2018 were \$51,716.

#### *Pension Liabilities (Assets), Pension Expense, Deferred Out (flows of Resources, and Deferred Inflows of Resources Related to Pensions*

At December 31, 2018, the Employer reported an asset of \$51,492 for its proportionate share of the Net Pension Asset (Liability). The Net Pension Asset was measured as of December 31, 2017 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

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The District Attorney of the Fifth Judicial District's proportion of the Net Pension Asset was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the District Attorney's proportion was 0.0694%, which was a decrease of 0.0031 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018 the District Attorney of the Fifth Judicial District recognized pension expense of \$53,720 and 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		\$33,332
Changes in assumptions	\$64,990	
Net difference between projected and actual earnings on pension plan		118,961
Changes in employer's proportion of beginning NPL	2,053	
Differences between employer and proportionate share of contributions		252
Contributions subsequent to the measurement date	51,716	
Total	\$ 18,759	\$152,545

The \$51,716 reported as deferred outflows of resources related to pensions resulting from the District Attorney of the Fifth Judicial District contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. 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,	
2018	\$8,939
2019	(7,559)
2020	(39,734)
2021	(47,148)
TOTAL	(85,502)

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*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2017, are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, per annum
Salary increases	5.25% (2.75% merit, 2.5% inflation)
Inflation rate	2.5%, per annum
Mortality rates	RP-2000 Employees Sex Distinct Table for Employees  RP-2000 Healthy Annuitant Sex Distinct Table annuitants and beneficiaries  RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	4 years for Plan A
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.

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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are recombined 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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected arithmetic nominal return		7.62%

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.75%. 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 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 payment to determine the total pension liability (asset).

*Sensitivity of the District Attorney of the Fifth Judicial District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the District Attorney of the Fifth Judicial District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the District Attorney's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

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	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability (Asset)	\$253,874	(\$51,492)	(\$323,400)

*Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in these separately issued Parochial Employees' Retirement System of Louisiana Audit Report at [www.persla.org](http://www.persla.org).

District Attorney's Retirement System of Louisiana (System)

*Plan Description*

The District Attorney of the Fifth Judicial District 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:

1. Age 62 after 10 or more years of creditable service.
2. Age 60 after 18 or more years of creditable service.
3. Age 55 after 23 or more years of creditable service.
4. Any age after 30 or more years of creditable service.

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

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

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

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

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

For the year ended December 31, 2018, the District Attorney of the Fifth Judicial District's total payroll for all employees was \$1,128,516. Total covered payroll was \$230,408. Covered payroll refers to all compensation paid by the District Attorney of the Fifth Judicial District 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](http://www.ladars.org).

#### Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 0% for January through June and 1.25% for July through December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. 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 District Attorney of the Fifth Judicial District to the System monthly. The District Attorney of the Fifth Judicial District's contributions to the System for the year ending December 31, 2018 were \$1,416.

#### Pension Liabilities, Pension Expense, Deferred Out (flows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Employer reported a liability of \$120,728 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

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The District Attorney of the Fifth Judicial District's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District Attorney's proportion was 0.375%, which was a decrease of 0.0373% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the District Attorney of the Fifth Judicial District recognized pension expense of \$41,271 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$(3,727) Total pension expense for the District Attorney of the Fifth Judicial District for the year ended December 31, 2018 was \$37,544.

At December 31, 2018, the District Attorney of the Fifth Judicial District 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	\$648	\$17,538
Changes in assumptions	73,230	7,961
Net difference between projected and actual earnings on pension plan	10,109	
Changes in employer's proportion of beginning NPL	6,349	14,287
Difference between employer and proportionate share of contributions	394	292
Employer contributions subsequent to the measurement date	1,416	
Total	\$92,146	\$40,078

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

Year ended December 31,	
2019	\$ 21,747
2020	8,484
2021	3,004
2022	4,877
2023	12,545
TOTAL	\$ 50,657

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry age normal costs
Actuarial Assumptions:	
Investment Rate of Return	6.50%, per annum
Salary increases	5.50% (2.4% inflation, 3.1% merit)
Mortality rates	RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Table (setback 1 year for females) RP 2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females
Expected remaining service lives	6 years
Cost of Living Adjustments	Only those previously granted

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The estimated long-term rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 9.45% for the year ended June 30, 2018. Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Equities	61.72%	10.82%
Fixed income	28.95%	6.36%
Alternatives	8.85%	10.50%
Cash	.48%	.50%
Totals	100%	
Inflation		2.50%
Expected arithmetic nominal return	9.45%	

*Discount Rate*

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

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

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

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	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
Employer's proportionate share of net pension liability	\$325,053	\$120,728	(\$53,098)

*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](http://www.ladars.org).

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE PROGRAM

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

For the year ended December 31, 2018, the District Attorney for the Fifth Judicial District expended \$215,297 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 Year	<u>Additions</u>	<u>Reductions</u>	Balance at End of Year
Special Asset Forfeiture Fund	\$ 80,939	\$ 77,361	\$ 116,896	\$ 41,404
Worthless Check Fund	<u>7,044</u>	<u>96,058</u>	<u>97,882</u>	<u>5,220</u>
Total	<u>\$ 87,983</u>	<u>\$ 173,419</u>	<u>\$ 214,778</u>	<u>\$ 46,624</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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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, 2018:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund Personnel Services	\$752,362	\$1,186,775	\$(434,113)
General Fund Materials and Supplies	\$ 6,256	\$ 22,346	\$ (16,090)
General Fund Travel and Other Charges	\$ 17,775	\$ 27,414	\$ (9,639)
Title IV-D Operating Services	\$ 27,087	\$ 28,570	\$ (1,483)

NOTE 11 - LITIGATION AND CLAIMS

At December 31, 2018, the District Attorney is not involved in any litigation, nor is he 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 considered for this valuation.

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*Employees covered by benefit terms* – At December 31, 2018, the following employees were covered by the benefit terms:

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

**Total OPEB Liability**

The District Attorney’s total OPEB liability of \$269,224 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%	
Salary increases	3.0%, including inflation	
Discount rate	3.44% annually (Beginning of Year to Determine ADC)	
	4.10%, annually (As of End of Year Measurement Date)	
Healthcare cost trend rates	Flat 5.5% annually	

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

**Changes in the Total OPEB Liability**

Balance at December 31, 2017		\$ 304,014
Changes for the year:		
Service cost		-
Interest		10,458
Differences between expected and actual experience		(17,235)
Changes in assumptions		(20,181)
Benefit payments and net transfers		(7,832)
Net changes		(34,790)
Balance at December 31, 2018		\$ 269,224

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*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	<b>1.0% Decrease (3.10%)</b>	<b>Current Discount Rate (4.10%)</b>	<b>1.0% Increase (5.10%)</b>
Total OPEB liability	\$ 297,799	\$ 269,224	\$ 244,717

*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:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB liability	\$ 245,972	\$ 269,224	\$ 295,706

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

For the year ended December 31, 2018, the District Attorney recognized OPEB expense of \$(26,958). At December 31, 2018, 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:	
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	\$ -

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**Fifth Judicial District Attorney**  
**Schedule of Changes in Net OPEB Liability and Related Ratios for the**  
**For the Year Ended December 31, 2018**

<b>Total OPEB Liability</b>	
Service cost	
Interest	10,458
Changes of benefit terms	-
Differences between expected and actual experience	(17,235)
Changes of assumptions	(20,181)
Benefit payments	(7,832)
<b>Net change in total OPEB liability</b>	<u>(34,790)</u>
<b>Total OPEB liability - beginning</b>	<u>304,014</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 269,224</u>
Covered-employee payroll	\$ 135,000
Net OPEB liability as a percentage of covered-employee payroll	199.43%

**Notes to Schedule:**

*Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2018.*

*Changes of Assumptions. The discount rate as of 12/31/2017 was 3.44% and it changed to 4.10% as of 12/*

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

DISTRICT ATTORNEY OF THE FIFTH JUDICIAL DISTRICT  
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 14 - NEW GASB STANDARDS

In fiscal year 2018, the District Attorney adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 72-Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- *Statement No. 73 -Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASE 68, and Amendment to Certain Provision of GASE Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.
- *Statement No. 77- Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens.

Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

- *Statement No. 84 - Fiduciary Activities* which provides guidance on the identification, accounting, and financial reporting of fiduciary activities.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. The District Attorney currently does not collect any ad valorem taxes that would be subject to Statement No. 77.

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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 15 – PRIOR PERIOD ADJUSTMENT

The District Attorney adopted Governmental Accounting Standards Board (GASB) Statement Number 75 – *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of *Statement No. 45*, as amended, and *Statement No. 57*. The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is \$35,180 decrease in net position.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2019, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for 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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	Original	Final		
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	740,300	767,575	\$ 791,463	\$ 23,888
Court Cost Fees	80,100	49,800	49,708	(92)
Interest Income	500	1,200	2,807	1,607
Intergovernmental Revenue				
State	-	-	322,000	322,000
Local	4,800	379,600	476,793	97,193
Drug Asset Forfeiture	4,300	15,700	15,277	(423)
Collection Fees	23,700	20,000	21,263	1,263
Other Revenues	-	-	-	-
Total Operating Revenues	<u>\$853,700</u>	<u>\$1,233,875</u>	<u>\$1,679,311</u>	<u>\$445,436</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	517,646	752,362	1,186,775	(434,413)
Operating Services	226,835	233,980	240,355	(6,375)
Materials and Supplies	5,541	6,256	22,346	(16,090)
Travel and Other Charges	25,006	17,775	27,414	(9,639)
Capital Outlay	-	-	-	-
Total Expenditures	<u>775,028</u>	<u>1,010,373</u>	<u>1,476,890</u>	<u>(466,517)</u>
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	78,672	223,502	202,421	(21,081)
<u>Fund Balance - Beginning of the Year</u>	<u>926,293</u>	<u>926,293</u>	<u>926,293</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,004,965</u>	<u>\$ 1,149,795</u>	<u>\$ 1,128,714</u>	<u>\$ (21,081)</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, 2018**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
<u>Operating Revenue</u>				
Intergovernmental Revenue	\$ 210,663	\$ 210,663	\$ 207,027	\$ (3,636)
Interest Income	-	-	619	619
Total Operating Revenues	210,663	210,663	207,646	(3,017)
<u>Operating Expenditures</u>				
General Government				
Personnel Services	173,790	173,790	180,920	(7,130)
Operating Services	27,087	27,087	28,570	(1,483)
Materials and Supplies	4,855	4,855	4,244	611
Travel and Other Charges	800	800	1,563	(763)
Capital Outlay	-	-	-	-
Total Expenditures	206,532	206,532	215,297	(8,765)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	4,131	4,131	(7,651)	(11,782)
<u>Fund Balance - Beginning of the Year</u>	78,837	78,837	78,837	-
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 82,968	\$ 82,968	\$ 71,186	\$ (11,782)

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, 2018

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 expenditures greater than budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund Personnel Services	\$ 752,362	\$1,186,775	\$ (434,113)
General Fund Materials and Supplies	\$ 6,256	\$ 22,346	\$ (16,090)
General Fund Travel and Other Charges	\$ 17,775	\$ 27,414	\$ (9,639)
Title IV-D Operating Services	\$ 27,087	\$ 28,570	\$ (1,483)

**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, 2018**

<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	8.63910%	\$ 23,620	\$ 364,671	6%	87.34%
2016	6.36020%	\$ 167,419	\$ 393,160	43%	99.23%
2017	6.62940%	\$ 136,533	\$ 426,998	32%	82.10%
2018	6.93730%	\$ (51,492)	\$ 449,705	-11%	102.00%

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, 2018**

<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	42.15690%	\$ 22,708	\$ 247,204	9.19%	98.56%
2016	40.70380%	\$ 77,910	\$ 266,917	29.19%	95.09%
2017	33.78740%	\$ 91,132	\$ 231,621	39.35%	93.57%
2018	37.51740%	\$ 120,728	\$ 230,408	52.40%	92.92%

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, 2018**

Fiscal Year	(b)		(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
	(a) Statutorily required contribution	Contributions in relation to the statutorily required contribution			
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%

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, 2018**

Fiscal Year	(b)		(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
	(a) Statutorily required contribution	Contributions in relation to the statutorily required contribution			
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%

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

OTHER SUPPLEMENTAL INFORMATION

**District Attorney of the Fifth Judicial District**  
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, 2018**

Agency Head: John M. Lancaster, District Attorney

<u>Purpose</u>	<u>Amount</u>
Salary - State of LA	\$ 8,181
Salary - Non Support	135,000
Salary - General Fund	50,000
Benefits - Insurance	12,304
Benefits - Retirement	11,957
Travel and other	<u>5,380</u>
Total	<u>\$ 222,822</u>

OTHER SUPPLEMENTAL INFORMATION –  
COMPLIANCE REQUIREMENTS

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of The District Attorney of the Fifth Judicial District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued my report thereon dated June 25, 2019.

***Internal Control Over Financial Reporting***

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as 2018-1 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 of the Fifth Judicial District'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. Sault, CPA (CAPAC)*

West Monroe, Louisiana  
June 25, 2019

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, 2018

To 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, a component unit of the Richland Parish Police Jury as of and for the year ended December 31, 2018 and have issued my report thereon dated June 25, 2019. 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, 2018, 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 X no  
 Significant Deficiencies not considered to be  
 Material Weaknesses X yes \_\_\_ no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X 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, 2018

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

2018-1 Inadequate Segregation of Duties

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.

Condition: All accounting duties are performed by one employee.

Cause: Limited number of employees due to the small size of the District.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: None

Management's Response: It is not feasible to correct this deficiency based on the size of the District.

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, 2018

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

2017-1 Failing to file Financial Statements Pursuant to R.S. 24:513 B(3)

Finding: The Fifth Judicial District Attorney's financial statements were due to the Legislative Auditor by June 30, 2018. The District Attorney's office did not provide the information needed to file the financial statements by the due date.

Condition: The Fifth Judicial District Attorney's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor by the statutory date of June 30, 2018.

Recommendation: Management should have financial records completed in a timely manner.

Finding Status: Resolved.

2017-2 Need to Comply with the Louisiana Local Government Budget Act

Criteria: The Local Government Budget Act, LSA-R.S. 39:1310-1311 requires, among other things, that the political subdivisions with proposed expenditures greater than five hundred thousand dollars shall afford the public an opportunity to participate in the budgetary process. LSA-R.S. 39-1311 also requires that the budget must be amended if the total or actual expenditures and other uses exceed budgeted expenditures and other uses by 5% or more.

Condition: The District Attorney did not allow 10 days between the date of publication of the public hearing and the date of the public hearing. The Fifth Judicial District Attorney's general funds actual expenditures exceeded budgeted expenditures by approximately 21%

Recommendation: Management should comply with all the requirements of the Louisiana Local Government Budget Act.

Finding Status: Resolved.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fifth Judicial District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

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

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

*David M. Hartt, CPA (APAC)*

West Monroe, Louisiana  
June 25, 2019

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

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
  - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exceptions

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

### ***Board or Finance Committee***

---

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

#### Exceptions

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

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

#### Exceptions

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

## Collections

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

## Exceptions

The Entity has 3 collection sites, and all were tested. The majority of deposits selected were interfund transfers. Interfund transfers made up most of the deposit activity for the year. Deposits are made weekly, no other exceptions noted.

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

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

**Exceptions**

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

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Exceptions

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

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

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

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

***Contracts***

---

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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

### Exceptions

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

### ***Payroll and Personnel***

---

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### Exceptions

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

### ***Ethics***

---

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

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

#### Exceptions

One employee selected for testing had not completed the required one hour of ethics training. No other exceptions noted.

#### ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

#### Exceptions

No exceptions were identified in the performance of the procedures listed above. (Not Applicable).

#### ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

#### Exceptions

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

OFFICE OF THE



DISTRICT ATTORNEY

FIFTH JUDICIAL DISTRICT  
FRANKLIN, RICHLAND, WEST CARROLL PARISHES

**JOHN M. LANCASTER**

DISTRICT ATTORNEY  
P. O. DRAWER 417  
RAYVILLE, LA 71269  
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**CRIMINAL DIVISIONS:**  
FRANKLIN PARISH  
CAROLINE HEMPHILL

**RICHLAND PARISH**  
K. DOUGLAS WHEELER  
AMANDA WILKINS

**WEST CARROLL PARISH**  
MOLLY M. CLEMENT

**CIVIL DIVISION:**  
MICHAEL E. KRAMER

June 25, 2019

Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

**ADMINISTRATOR:**  
JONATHAN D. KNIGHT

**CHILD SUPPORT ENFORCEMENT:**  
PENNY W. DOUCIERE

**CHILD WELFARE AND JUVENILE:**  
FELIX J. BRUYNINCKX, III

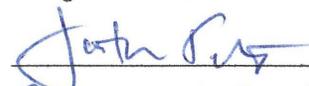
**VICTIM ASSISTANCE:**  
DEBRA COLSON

RE: 2018 Application of Agreed-Upon Procedures  
Office of the Fifth Judicial District Attorney

Dear Sir:

We respond to the application of the AUPs as follows, to-wit:

1. The Fifth Judicial District Attorney (05<sup>th</sup> JDA) has implemented will implement policies and procedures for FY2019.
3. The bank statement reconciliation process has been updated and will be prepared in accordance with best practices and will be independently verified for FY2019.
7. Bank deposits will be made in a more timely manner for FY2019.
9. Our office size, workload and budget prohibit adding more employees to segregate duties. However, we will utilize a outside CPA to review operations for FY2019.
11. Written policies regarding the use of credit cards will be updated for FY2019.
14. Policies including approval will be updated to comply with best practices for FY2019.
20. All employees requiring ethics training will be reviewed and if not complete, will complete testing for FY2019.

 Signature of Certifying Official

 Name and Title

 Date