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**DISTRICT ATTORNEY OF THE TWENTY-THIRD**  
**JUDICIAL DISTRICT**  
**PARISHES OF ASCENSION, ASSUMPTION, AND**  
**ST. JAMES, LOUISIANA**  
**FINANCIAL REPORT**  
**DECEMBER 31, 2018**

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**DISTRICT ATTORNEY OF THE TWENTY-THIRD  
JUDICIAL DISTRICT**

**PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2018**

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The Honorable Ricky L. Babin  
District Attorney of the Twenty-Third Judicial District  
Parishes of Ascension, Assumption, and St. James, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Third Judicial District (the “District Attorney”), a component unit of the Ascension Parish Council, 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; the includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors’ Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also included evaluating the appropriateness of accounting polices used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinions*

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

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison information, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Employer's Contributions to Retirement System on pages 3 -8, 36 -37, 38, and 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about methods of preparing the information and comparing the information for consistency with management's response to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

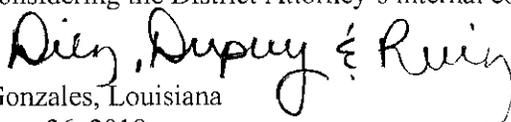
### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensations, Benefits and Other Payments to Agency Head is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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*, we have also issued our report dated June 26, 2019, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing or internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

  
Gonzales, Louisiana  
June 26, 2019

# **DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

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

**DECEMBER 31, 2018**

The section of District Attorney's annual financial report presents a discussion and analysis of the District Attorney's financial performance during the year that ended on December 31, 2018. Please read it in conjunction with the District Attorney's financial statements and the accompanying notes to the financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, total net position was \$957,367. Net position decreased by \$362,270 from the previous year of \$1,319,637.
- Total net position is comprised of the following:
  - 1) Net investment in capital assets of \$59,706 represents the net book value of property and equipment.
  - 2) Restricted net position of \$115,516 represents the portion restricted for grant programs recorded in a special revenue fund.
  - 3) Unrestricted net position of \$782,145 represents the portion available to maintain continuing obligations to citizens and creditors.
- Total spending for all judicial activities was \$4,907,497 which was \$362,270 more than the charges for services, operating grants and contributions, and general revenues received for these activities of \$4,545,227.
- The governmental funds reported total ending fund balance \$982,995. Fund balance for governmental funds decreased by \$287,265 from the previous year \$1,270,260.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) – The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in their independent auditors' report, located before this MD&A that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

#### **Government-wide Statements**

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position and the Statement of Activities report information about the entity as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

# **DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

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

**DECEMBER 31, 2018**

These two statements report the District Attorney's net position and how they have changed. Net position – the difference between the District Attorney's assets and liabilities – is one way to measure the District Attorney's financial health, or financial position.

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

The government-wide financial statements of the District Attorney are divided into two categories:

- Governmental activities – most of the District Attorney's basic services are included here. Fines and state and federal grants finance most of these activities.
- Fiduciary activities – Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for the other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurements of results of operations.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District Attorney's most significant funds – not the District Attorney's operations as a whole. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law

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 readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which means measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- Fiduciary funds – We exclude these activities 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 (GWFS)**

The Statement of Net Position and the Statement of Activities reports have only one type of activity – governmental activities. Fines and fees charged to the public finance most of these activities.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2018**

Our analysis below focuses on the net position of the governmental-type activities:

**STATEMENTS OF NET POSITION**

|                                  | <u>2018</u>       | <u>2017</u>         |
|----------------------------------|-------------------|---------------------|
| Current and other assets         | \$ 1,199,156      | \$ 1,440,427        |
| Capital assets, net              | 59,706            | 94,069              |
| Total assets                     | <u>1,258,862</u>  | <u>1,534,496</u>    |
| <br>                             |                   |                     |
| Deferred outflows of resources   | 333,032           | 336,225             |
| <br>                             |                   |                     |
| Current liabilities              | 141,411           | 100,575             |
| Long term liabilities            | 411,369           | 331,277             |
| Total liability                  | <u>552,780</u>    | <u>431,852</u>      |
| <br>                             |                   |                     |
| Deferred inflows and resources   | 81,747            | 119,232             |
| <br>                             |                   |                     |
| Net investment in capital assets | 59,706            | 94,069              |
| Restricted                       | 115,516           | 113,910             |
| Unrestricted                     | 782,145           | 1,111,658           |
| <b>Total net position</b>        | <u>\$ 957,397</u> | <u>\$ 1,319,637</u> |

As a result of this year's operations, net position decreased by \$362,270. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – absorbed most of the decrease this year. The balance in net position of \$957,397 represents the accumulated results of all past years' operations.

Our analysis below focuses on the change in net position of the governmental-type activities:

**STATEMENTS OF ACTIVITIES**

|                               | <u>2018</u>                | <u>2017</u>                |
|-------------------------------|----------------------------|----------------------------|
| Total program revenues        | \$ 4,412,722               | \$ 4,436,680               |
| <br>                          |                            |                            |
| Total program expenses        | 4,907,497                  | 4,635,989                  |
| <b>Net program loss</b>       | <b>(494,775)</b>           | <b>(199,309)</b>           |
| Total general revenues        | 132,505                    | 15,315                     |
| <b>Change in Net Position</b> | <u><b>\$ (362,270)</b></u> | <u><b>\$ (183,994)</b></u> |

The total revenues for the year in governmental activities were \$4,545,227 (\$1,828,661 in charges for services, \$2,584,061 in operating and grant contributions, \$14,379 in interest earnings, \$13,014 in other revenues, and \$105,112 in contributions from non-employer contributing entities-pension benefit). The total cost of all judicial programs and services was \$4,907,497.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2018**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (FFS)**

The District Attorney utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into overall financial health.

The government funds reported a combined fund balance of \$982,995. This reflects a decrease of \$287,265 from last year.

**BALANCE SHEETS**

|  | <u>2018</u>                      | <u>2017</u>                      |
|--|----------------------------------|----------------------------------|
| <b>Total Assets</b>                          | <u><b>\$1,151,946</b></u>        | <u><b>\$1,402,056</b></u>        |
| <b>Total Liabilities</b>                     | <b>\$ 168,951</b>                | <b>\$ 131,796</b>                |
| <b>Total Fund Balances</b>                   | <u><b>982,995</b></u>            | <u><b>1,270,260</b></u>          |
| <b>Total Liabilities &amp; Fund Balances</b> | <u><u><b>\$1,151,946</b></u></u> | <u><u><b>\$1,402,056</b></u></u> |

**STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGED IN FUND  
BALANCES**

|  | <u>2018</u>                     | <u>2017</u>                      |
|--|---------------------------------|----------------------------------|
| <b>Total revenues</b>                        | <u><b>\$4,440,115</b></u>       | <u><b>\$4,452,715</b></u>        |
| <b>Expenditures:</b>                         |                                 |                                  |
| Current                                      | 4,719,394                       | 4,567,797                        |
| Capital Outlay                               | 7,986                           | 16,246                           |
| <b>Total Expenditures</b>                    | <u><b>4,727,380</b></u>         | <u><b>4,584,043</b></u>          |
| <br>Deficiency of revenues over expenditures | <br>(287,265)                   | <br>(131,328)                    |
| <br><b>Fund Balances:</b>                    |                                 |                                  |
| Beginning of the year                        | <u>1,270,260</u>                | <u>1,401,588</u>                 |
| <b>End of the year</b>                       | <u><u><b>\$ 982,995</b></u></u> | <u><u><b>\$1,270,260</b></u></u> |

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**General Fund Budgetary Highlights**

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

|                                |                           |                                    |                           |
|--------------------------------|---------------------------|------------------------------------|---------------------------|
| Original Budgeted Revenue      | \$4,429,370               | Original Budgeted Expenditures     | \$4,525,439               |
| Increase (Decrease) due to:    |                           | Increase (Decrease) due to:        |                           |
| Fines & Forfeitures            | (79,419)                  | Personnel Service                  | (29,441)                  |
| DAPP Fees                      | (107,978)                 | Auto Repair & Maintenance          | 917                       |
| Intergovernmental Revenue      | 37,943                    | Office Operations                  | (31,758)                  |
| Other                          | 2,590                     | Travel & Conventions               | (7,616)                   |
| Interest                       | 6,091                     | Professional Services              | (8,361)                   |
|                                |                           | Other                              | 240                       |
| <b>Final Budgeted Revenues</b> | <b><u>\$4,288,597</u></b> | Capital Outlay                     | <u>10,237</u>             |
|                                |                           | <b>Final Budgeted Expenditures</b> | <b><u>\$4,459,657</u></b> |

**CAPITAL ASSETS**

*Capital Assets:* The investment in capital assets, net of accumulated depreciation for the governmental activity as of December 31, 2018 and 2017 was \$59,706 and \$94,069, respectively.

|                             | <u>2018</u>      | <u>2017</u>      |
|-----------------------------|------------------|------------------|
| Equipment & Furniture       | \$ 226,672       | \$ 226,672       |
| Auto equipment              | 145,491          | 145,491          |
| Other Equipment             | 22,334           | 22,334           |
| Total Cost                  | 394,497          | 394,497          |
| Accumulated<br>Depreciation | (334,791)        | (300,428)        |
| Net Capital Assets          | <u>\$59,706</u>  | <u>\$94,069</u>  |
| <br>                        |                  |                  |
| Depreciation Expense        | <u>\$ 34,363</u> | <u>\$ 34,102</u> |

This year there were no additions or disposals in capital assets. More detailed information about the capital assets is presented in Note 3 to the financial statements.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2018**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Among the factors considered in compiling the 2019 budget were:

- 1) Any changes in rates and fees for the next fiscal year
- 2) Any personnel changes
- 3) Any new laws and regulations enacted that would apply to the upcoming year
- 4) Any new revenue sources or expenditures not previously encountered

The District Attorney is dependent on the State of Louisiana and the Parish of Ascension for approximately 25% percent of its revenues. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth. Therefore, the District Attorney's future revenues are expected to be consistent with the current years. The budget for the 2019 year is approximately the same as the year 2018's budget.

**CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors 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:

Sandy Sanchez, Accountant  
District Attorney of the Twenty-Third Judicial District,  
P.O. Box 750  
Donaldsonville, LA 70346  
Phone (225) 473-6777

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**ASSETS**

|   |                  |
|---|------------------|
| Cash and cash equivalents                       | \$ 398,936       |
| Investment in LAMP                              | 603,671          |
| Receivables                                     | 38,278           |
| Prepaid Insurance                               | 50,409           |
| Due from other governments                      | 107,862          |
| Capital assets, net of accumulated depreciation | 59,706           |
| TOTAL ASSETS                                    | <u>1,258,862</u> |

**DEFERRED OUTFLOWS OF RESOURCES**

|                                      |                |
|--------------------------------------|----------------|
| Pension related                      | 333,032        |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>333,032</u> |

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** **\$ 1,591,894**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

**LIABILITIES**

|                              |                |
|------------------------------|----------------|
| Accounts Payable             | \$ 48,108      |
| Accrued payroll and benefits | 93,303         |
| Long term liabilities        |                |
| Compensated absences         | 24,341         |
| Net pension liability        | 387,028        |
| TOTAL LIABILITY              | <u>552,780</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |               |
|-------------------------------------|---------------|
| Pension related                     | 81,747        |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>81,747</u> |

**NET POSITION**

|                                  |                |
|----------------------------------|----------------|
| Net investment in capital assets | 59,706         |
| Restricted for grant program     | 115,516        |
| Unrestricted                     | 782,145        |
| TOTAL NET POSITION               | <u>957,367</u> |

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION** **\$ 1,591,894**

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | Program Revenues    |                     | Net (Expense)       |                   |
|--|---------------------|---------------------|---------------------|-------------------|
|  | Charges for         | Operating           | Revenue and         |                   |
|  | Service             | Grants and          | Changes in          |                   |
| Expenses   |                     | Contributions       | Net Position        |                   |
|  |                     |                     | Governmental        |                   |
|  |                     |                     | Unit                |                   |
| <b><u>FUNCTIONS/PROGRAMS</u></b>   |                     |                     |                     |                   |
| Governmental activities:   |                     |                     |                     |                   |
| General Government - Judicial  | \$ 4,907,497        | \$ 1,828,661        | \$ 2,584,061        | \$ (494,775)      |
| Total governmental activities  | <u>\$ 4,907,497</u> | <u>\$ 1,828,661</u> | <u>\$ 2,584,061</u> | <u>(494,775)</u>  |
| General Revenues:  |                     |                     |                     |                   |
| Interest   |                     |                     |                     | 14,379            |
| Other  |                     |                     |                     | 13,014            |
| Contributions from non-employer<br>contributing entities - pension benefit |                     |                     |                     | <u>105,112</u>    |
| Total general revenues   |                     |                     |                     | <u>132,505</u>    |
| Change in net position   |                     |                     |                     | (362,270)         |
| Net position - December 31, 2017   |                     |                     |                     | <u>1,319,637</u>  |
| Net position - December 31, 2018   |                     |                     |                     | <u>\$ 957,367</u> |

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

**DECEMBER 31, 2018**

|   | <u>General</u><br><u>Fund</u> | <u>Worthless</u><br><u>Check</u> | <u>Title IV-D</u><br><u>Fund</u> | <u>Total</u>        |
|---|-------------------------------|----------------------------------|----------------------------------|---------------------|
| <b><u>ASSETS</u></b>                        |                               |                                  |                                  |                     |
| Cash and cash equivalents                   | \$ 280,892                    | \$ -                             | \$ 104,101                       | \$ 384,993          |
| Investment in LAMP                          | 603,671                       | -                                | -                                | 603,671             |
| Receivable                                  | 5,000                         | -                                | 33,278                           | 38,278              |
| Due from other funds                        | 17,142                        | -                                | -                                | 17,142              |
| Due from other governments                  | 107,862                       | -                                | -                                | 107,862             |
| <br>  |                               |                                  |                                  |                     |
| TOTAL ASSETS                                | <u>\$ 1,014,567</u>           | <u>\$ -</u>                      | <u>\$ 137,379</u>                | <u>\$ 1,151,946</u> |
| <br>  |                               |                                  |                                  |                     |
| <b><u>LIABILITIES AND FUND BALANCES</u></b> |                               |                                  |                                  |                     |
| Liabilities:                                |                               |                                  |                                  |                     |
| Accounts Payable                            | \$ 33,828                     | \$ -                             | \$ 337                           | \$ 34,165           |
| Accrued payroll and benefits                | 88,919                        | -                                | 4,384                            | 93,303              |
| Due to other funds                          | -                             | -                                | 17,142                           | 17,142              |
| Compensated absences                        | 24,341                        | -                                | -                                | 24,341              |
| <br>  |                               |                                  |                                  |                     |
| TOTAL LIABILITIES                           | <u>147,088</u>                | <u>-</u>                         | <u>21,863</u>                    | <u>168,951</u>      |
| <br>  |                               |                                  |                                  |                     |
| Fund balances:                              |                               |                                  |                                  |                     |
| Restricted for grant programs               | -                             | -                                | 115,516                          | 115,516             |
| Unassigned                                  | 867,479                       | -                                | -                                | 867,479             |
| <br>  |                               |                                  |                                  |                     |
| TOTAL FUND BALANCES                         | <u>867,479</u>                | <u>-</u>                         | <u>115,516</u>                   | <u>982,995</u>      |
| <br>  |                               |                                  |                                  |                     |
| TOTAL LIABILITES AND<br>FUND BALANCES       | <u>\$ 1,014,567</u>           | <u>\$ -</u>                      | <u>\$ 137,379</u>                | <u>\$ 1,151,946</u> |

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**

**TO THE STATEMENT OF NET POSITION**

**DECEMBER 31, 2018**

|  |    |         |
|--|----|---------|
| Total fund balances - Governmental Funds | \$ | 982,995 |
|--|----|---------|

Amounts reported for governmental activities in the statement of net position are different due to:

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

|  |                  |        |
|--|------------------|--------|
| Cost of capital assets at December 31, 2018            | 394,497          |        |
| Less: accumulated depreciation as of December 31, 2018 | <u>(334,791)</u> | 59,706 |

|                   |  |        |
|-------------------|--|--------|
| Prepaid insurance |  | 50,409 |
|-------------------|--|--------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund liabilities. These liabilities consist of the following:

|                       |  |           |
|-----------------------|--|-----------|
| Net pension liability |  | (387,028) |
|-----------------------|--|-----------|

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shared of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. There deferrals reported on the Statement of Net Position consists of:

|                                   |                 |                |
|-----------------------------------|-----------------|----------------|
| Deferred outflows-pension related | 333,032         |                |
| Deferred inflows-pension related  | <u>(81,747)</u> | <u>251,285</u> |

|   |    |                       |
|---|----|-----------------------|
| Total net position at December 31, 2018 - Governmental Activities | \$ | <u><u>957,367</u></u> |
|---|----|-----------------------|

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | General<br>Fund  | Worthless<br>Check | Title IV-D<br>Fund | Total<br>Governmental<br>Funds |
|--|------------------|--------------------|--------------------|--------------------------------|
| <b><u>REVENUES</u></b>                                       |                  |                    |                    |                                |
| Fines and forfeitures  | \$ 967,374       | \$ -               | \$ -               | \$ 967,374                     |
| DAPP fees  | 861,287          | -                  | -                  | 861,287                        |
| Intergovernmental revenue:                                   |                  |                    |                    |                                |
| Police jury and parish councils                              | 1,140,992        | -                  | -                  | 1,140,992                      |
| School boards  | 56,250           | -                  | -                  | 56,250                         |
| Grants   | 73,200           | -                  | -                  | 73,200                         |
| State Salary Supplement                                      | 923,778          | -                  | -                  | 923,778                        |
| Parish Salary Supplement                                     | 180,591          | -                  | -                  | 180,591                        |
| LA Dept. of Social Services                                  | -                | -                  | 209,250            | 209,250                        |
| Other  | 9,911            | -                  | 3,103              | 13,014                         |
| Interest   | 14,280           | -                  | 99                 | 14,379                         |
| <b>TOTAL REVENUES</b>  | <b>4,227,663</b> | <b>-</b>           | <b>212,452</b>     | <b>4,440,115</b>               |
| <b><u>EXPENDITURES</u></b>                                   |                  |                    |                    |                                |
| General Government:  |                  |                    |                    |                                |
| Current operating:   |                  |                    |                    |                                |
| Personnel service  | 3,962,826        | -                  | 176,827            | 4,139,653                      |
| Auto repair & maintenance                                    | 25,763           | -                  | -                  | 25,763                         |
| Office operations  | 451,939          | -                  | 14,879             | 466,818                        |
| Travel and conventions                                       | 6,049            | -                  | 436                | 6,485                          |
| Professional services  | 61,481           | -                  | 17,449             | 78,930                         |
| Other  | 1,745            | -                  | -                  | 1,745                          |
| Capital outlay   | 6,731            | -                  | 1,255              | 7,986                          |
| <b>TOTAL EXPENDITURES</b>                                    | <b>4,516,534</b> | <b>-</b>           | <b>210,846</b>     | <b>4,727,380</b>               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(288,871)</b> | <b>-</b>           | <b>1,606</b>       | <b>(287,265)</b>               |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                 |                  |                    |                    |                                |
| Transfer in  | 92,565           | -                  | -                  | 92,565                         |
| Transfer out   | -                | (92,565)           | -                  | (92,565)                       |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <b>92,565</b>    | <b>(92,565)</b>    | <b>-</b>           | <b>-</b>                       |
| Net change in fund balances                                  | (196,306)        | (92,565)           | 1,606              | (287,265)                      |
| Fund balances - beginning of year                            | 1,063,785        | 92,565             | 113,910            | 1,270,260                      |
| Fund balances - end of year                                  | \$ 867,479       | \$ -               | \$ 115,516         | \$ 982,995                     |

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Total change in net fund balances-Governmental funds \$ (287,265)

Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:  
Governmental funds report capital outlays as expenditures in the individual fund.  
Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

|                                     |                 |          |
|-------------------------------------|-----------------|----------|
| Capital asset purchases capitalized | -               |          |
| Depreciation expense                | <u>(34,363)</u> | (34,363) |

|                             |  |       |
|-----------------------------|--|-------|
| Change in prepaid insurance |  | (922) |
|-----------------------------|--|-------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These expenditures consist of:

|  |  |                 |
|--|--|-----------------|
| Net effects of change in net pension liability, deferred outflows and deferred inflows |  | <u>(39,720)</u> |
|--|--|-----------------|

|  |  |                            |
|--|--|----------------------------|
| Change in Net Position - Governmental Activities |  | <u><u>\$ (362,270)</u></u> |
|--|--|----------------------------|

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

|                           | <u>Drug<br/>Forfeiture</u> | <u>Bond<br/>Forfeiture</u> | <u>Total</u>     |
|---------------------------|----------------------------|----------------------------|------------------|
| <b>ASSETS</b>             |                            |                            |                  |
| Cash and cash equivalents | \$ 10,943                  | \$ 3,000                   | \$ 13,943        |
| <b>TOTAL ASSETS</b>       | <u>\$ 10,943</u>           | <u>\$ 3,000</u>            | <u>\$ 13,943</u> |
| <b>LIABILITIES</b>        |                            |                            |                  |
| Accounts Payable          | \$ 10,943                  | \$ 3,000                   | \$ 13,943        |
| <b>TOTAL LIABILITIES</b>  | <u>\$ 10,943</u>           | <u>\$ 3,000</u>            | <u>\$ 13,943</u> |

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

# **DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **INTRODUCTION**

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the State which in his district, is the representative of the State before the grand jury in his district, is legal advisor to the grand jury, and performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Third Judicial District encompasses the parishes of Ascension, Assumption, and St. James, Louisiana.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Basis of Presentation**

The accompanying basic financial statements of the 23<sup>rd</sup> Judicial District Attorney have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below:

#### **B. Financial Reporting Family**

This report includes all funds, which are controlled by the District Attorney of the Twenty-Third Judicial District, which was determined on the basis of criteria set forth under Governmental Accounting Standards Board (GASB).

GASB Codification Section 2100, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Even though the District Attorney is an independently elected official and is legally separate from the police jury/parish councils, the District Attorney is fiscally dependent on the police jury/parish councils and is considered a component unit of the police jury/parish councils. Since the District Attorney is a multi-parish district attorney, the District Attorney is reported as a component unit of only one police jury/parish council. The Ascension Parish council is the largest of the parish councils/police juries, therefore the District Attorney is considered to be component unit for financial reporting purposes of Ascension Parish Council. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police juries/parish councils, the general governments services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity.

# **DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

#### C. **Fund Accounting**

##### **Government-Wide Financial Statements**

The basic financial statements include both government-wide (reporting as a whole) and fund financial statements (reporting the major funds). The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain district attorney functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. All of the judicial and administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Net position is reported in three parts—invested in capital assets, restricted for grant program, and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the functions and activities (judicial). These functions are also supported by general government revenues (interest earned and other miscellaneous revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

##### **Fund Financial Statements**

The financial transactions are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

# DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Governmental Funds**

Governmental funds account for all of the District Attorney's general activities. The focus of the governmental funds measurement (in all fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District Attorney. The following are the District Attorney's governmental funds:

#### General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11, which provides that 12% of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office. The General Fund accounts for the operations of the District Attorney's office.

#### Special Revenue Funds

Special Revenue Funds are used to account for fees, fines, and costs collected for a specified purpose or grants to be used specific purposed that deal with judicial prosecution.

#### **Fiduciary Funds**

#### Agency Funds

Agency Funds are used to account for assets held for other funds and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Agency funds of the District Attorney include the:

- Drug Forfeiture Fund – The Drug Forfeiture fund accounts for monies and proceeds from the sale of property seized or obtained by judgement or settlement as a result of drug-related activities.
- Bond Forfeiture Fund – The Bond Forfeiture Fund is used to account for the collection and disbursement of proceeds from the forfeiture of District, Parish, and City Court bail and surety bonds for failure by a defendant to appear in court. The distribution of the proceeds of the bond forfeitures is in accordance with Louisiana Revised Statue 15:571:11 (L) and (M).

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Major Funds**

The funds are further classified as major based on the total amount of revenue or assets per fund as follows:

- General Fund
- Title IV-D Fund

D. **Basis of Accounting / Measurement Focus**

Government Wide Financial Statements (GWFS)

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported on financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Codification Section 2300.

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the District Attorney's general revenues.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and Agency Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period or within 60 days after year end. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Grants and state appropriations are recorded when earned. Substantially all other revenues are recorded when received.

# **DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES** (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by the employee.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources. Fines, fees, and other revenues are recorded when collected and are considered susceptible to accrual.

#### **E. Budgets and Budgetary Accounting**

The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District Attorney prepares an annual budget for the General Fund and the Special Revenue Funds on a modified accrual basis of accounting at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing in December of the previous year and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. Appropriations lapse at the end of each fiscal year.

#### **F. Compensated Absences**

The District Attorney's policy allows employees to earn leave benefits of up to 10 days of vacation leave and up to 10 days of sick leave per calendar year. After five years of employment, an employee is entitled to have three weeks of vacation leave. Two personal days are granted to employees yearly, which cannot be accrued. Employees are allowed to accrue compensatory time when working overtime.

Employees, who resign or retire, are entitled to receive pay for all unused vacation leave and compensatory time that has been accumulated. Employees are not paid for sick leave upon leaving, and sick leave is limited to twenty-five days.

At the end of the current year, employees have accumulated \$24,341 of vacation leave and compensatory time. This amount is recorded as a payable of the General Fund \$24,341. The entire amount is expected to be paid in the next year. The accrual of unused sick leave is not required since the amount accumulated lapses upon termination.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

G. **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. **Capital Assets**

All capital assets with an original cost of \$500 or more are capitalized at historical cost or estimated historical costs for assets where actual cost is not available and depreciated over their useful lives (excluding salvage value). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Straight-line depreciation is used based on the following estimated useful lives:

- Furniture and equipment            5-7 years
- Auto equipment                        5 years
- Other equipment                        10 years

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

I. **Operating Transfers In and Out**

Advances between fund as which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

J. **Due from Other Governments**

The receivable amounts are made up of fines and fees collected by other governments to be remitted, amounts due on reimbursement grants, and reimbursements for expenditures from other agencies. No reserve for uncollectible is considered necessary for these receivables.

K. **Interfund Receivables and Payables**

During the course of operations transactions occur between individual funds. These receivables and payables are classified as “due to or due from other funds” on the fund financial statement balance sheet.

# DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the process of aggregating data for the government-wide financial Statement of Net Position and the Statement of Activities some amounts reported as due to/from balances were eliminated. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on the assets and liabilities within the governmental activities column.

#### L. Equity Classifications

##### *Government-wide Statements*

Equity is classified as net position and displayed in three components:

- Invested in capital assets, (net)-consists of capital assets net of accumulated depreciation.
- Restricted net position-consists of assets that are restricted by the DA’s grantors (both federal and State)
- Unrestricted net position-consists of all other net assets that do not meet the definition of “restricted” or “invested in capital assets”.

##### *Fund Financial Statements*

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – represents balance where contracts have been established by parties outside the District Attorney or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Attorney’s highest level of decision-making authority.

Assigned – represents balances that are constrained by the District Attorney’s intent to be used for specific purposes but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purpose for which both restricted and unrestricted amounts are available, the District Attorney reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for the purposes for which committed, assigned, and unassigned amounts are available, the District Attorney reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

M. **Use of Estimates**

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

N. **Pension Plans**

The District Attorney is a participating employer in a defined benefit pension plan as described in Note 9. For purposes of 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 plan, and additions to/deductions from the plans' fiduciary net position has been determined on the same basis as they reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

O. **Deferred Inflows and Outflows of Resources**

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial 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 of resources (expenditure) until then. The District Attorney has one item that qualifies for this category; pension related deferrals, which are reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial 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 (revenue) at that time. The District Attorney has only one item that qualifies for this category; pension related deferrals. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

# DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 2. CASH AND CASH EQUIVALENTS

A summary of deposits followed:

*Cash:*

Under state law, the District Attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state or the laws of the United States. The District Attorney may invest in certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana.

Custodial credit risk is the risk that in an event of bank failure, the district's deposits may not be returned to it. The government does not have deposit policy for custodial risk. As of December 31, 2018, these deposits were completely collateralized and/or insured.

*Investments:*

The District Attorney has \$603,671 investment in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools.

- Credit risk: LAMP is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

2. **CASH AND CASH EQUIVALENTS** (continued)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

3. **CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2018 are as follows:

|   | <u>Furniture &amp;<br/>Equipment</u> | <u>Auto<br/>Equipment</u> | <u>Other<br/>Equipment</u> | <u>Total</u>     |
|---|--------------------------------------|---------------------------|----------------------------|------------------|
| Cost of capital assets, 12/31/17                                | \$ 226,672                           | \$ 145,491                | \$ 22,334                  | \$ 394,497       |
| Additions   | -                                    | -                         | -                          | -                |
| Deletions   | -                                    | -                         | -                          | -                |
| Cost of capital assets, 12/31/18                                | <u>226,672</u>                       | <u>145,491</u>            | <u>22,334</u>              | <u>394,497</u>   |
| Accumulated depreciation,<br>12/31/17                           | 159,881                              | 118,213                   | 22,334                     | 300,428          |
| Additions   | 20,658                               | 13,705                    | -                          | 34,363           |
| Deletions   | -                                    | -                         | -                          | -                |
| Accumulated depreciation,<br>12/31/18                           | <u>180,539</u>                       | <u>131,918</u>            | <u>22,334</u>              | <u>334,791</u>   |
| Capital assets, net of accumulated<br>depreciation, at 12/31/18 | <u>\$ 46,133</u>                     | <u>\$ 13,573</u>          | <u>\$ -</u>                | <u>\$ 59,706</u> |

Depreciation expense for the year ended December 31, 2018 was \$34,363.

4. **ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

A portion of the salaries and benefits of the District Attorney and the Assistant District Attorneys are paid by the State of Louisiana and the Parishes of Ascension, Assumption, and St. James.

In accordance with GASB Codification Section N50.129, the amount of these salaries and benefits paid on-behalf directly to the District Attorney and the Assistant District Attorneys has been recognized by the District Attorney's Office as revenues and expenditures. The amount recognized in the current year from the State and the Parishes was \$923,778 and \$180,591, respectively.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

5. **CONTINGENCIES**

Litigation – Various lawsuits are pending against the District Attorney. In the opinion of the District Attorney’s management, the potential loss on lawsuits will not be material to the District Attorney’s basic financial statements.

6. **INTERFUND RECEIVABLES/PAYABLES**

Interfund receivables and payables for the individual funds were:

| <b>Individual Fund</b> | <b>Interfund<br/>Receivable</b> | <b>Interfund<br/>Payable</b> |
|------------------------|---------------------------------|------------------------------|
| General Fund           | \$ 17,142                       | \$ -                         |
| IV-D Fund              | -                               | 17,142                       |
| Total                  | <u>\$ 17,142</u>                | <u>\$ 17,142</u>             |

7. **RISK MANAGEMENT**

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuring to employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance for each type of risk to which it is exposed.

8. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2018, expenditures in the general fund exceeded revenues by \$196,306. Deficit is due to increases in general government personnel services and office operations. Available fund balance was sufficient to provide for the excess expenditure.

9. **TRANSFERS TO/FROM OTHER FUNDS**

Transfer to/from other funds at December 31, 2018 consist of the Worthless Checks fund transferring out \$92,565 to the General fund. During the year the District Attorney closed the Worthless Checks fund and move remaining fund balance to the General Fund.

10. **DEFINED BENEFIT PENSION PLANS**

The District Attorney is a participating employer in a cost-sharing defined benefit pension plan. This plan is administered by a public employee retirement system, the District Attorneys’ Retirement System (DARS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of DARS to the State Legislature. The system is administered by a separate board of trustees and is a component unit of the State of Louisiana.

# **DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS**

### 10. **DEFINED BENEFIT PENSION PLANS** (continued)

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, calling or downloading the report as follows: DARS, 1645 Nicholson Drive, Baton Rouge, LA 70802-8143, (225) 267-4824, [www.ladars.org](http://www.ladars.org)

The District Attorney implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contribution Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the District Attorney to record its proportional share of the pension plan' Net Pension Liability and report the following disclosures:

#### **Plan Description:**

##### **District Attorneys' Retirement System (DARS)**

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistant in each parish.

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

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

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

to age 62 who have less than 18 years of service receive a retirement benefit reduced: 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

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

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

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

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

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

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

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

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

Prior to January 1, 2009, eligible members could elect to participate in the deferred Retirement Option Program (DROP) for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to 1/2 of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by board of trustees.

The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

**Funding Policy**

Article X, Section 29(E) (2) (a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions to DARS. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Contributions to the plan is required and determined by State statute (which may be amended) are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2018, for the District Attorney and covered employees were as follows:

|                           | <u>District<br/>Attorney</u> | <u>Employees</u> |
|---------------------------|------------------------------|------------------|
| DARS January – June 2018  | 0.00%                        | 8.00%            |
| DARS July – December 2018 | 1.25%                        | 8.00%            |

The contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

|      | <u>December 31,</u> |             |             |
|------|---------------------|-------------|-------------|
|      | <u>2018</u>         | <u>2017</u> | <u>2016</u> |
| DARS | \$ 4,772            | \$ -        | \$ 9,372    |

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

The following schedule lists the District Attorney’s proportionate share of the Net Pension Liability allocated to the pension plan as of the measurement date for the plan. The District Attorney uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement date. The District Attorney’s proportion of the Net Pension Liability was based on the District Attorney’s long-term share of contributions to the pension plan relative to the actual contributions of all participating employers.

|      | <u>Measurement<br/>Date</u> | <u>Net Pension<br/>Liability</u> | <u>Rate at<br/>Measurement<br/>Date</u> | <u>Increase (Decrease)<br/>To Prior Year Rate</u> |
|------|-----------------------------|----------------------------------|---|---|
| DARS | June 30, 2018               | \$ 387,028                       | 1.202727%                               | 0.0422%   |

The pension plan’s recognized pension expense of the District Attorney for the year ended December 31, 2018 was \$39,720.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

At December 31, 2018, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 2,079                                      | \$ 56,224                                    |
| Changes of assumptions  | 234,758                                       | 25,523                                       |
| Net difference between projected and actual earnings  |   |  |
| on pension plan investments   | 32,407  | -  |
| Changes in proportion and differences between<br>Employer contributions and proportionate share of<br>contributions | 59,016  | -  |
| Differences between allocated and actual contributions  | -   | -  |
| Employer contributions subsequent to the<br>measurement date  | 4,772   | -  |
|   | <u>\$ 333,032</u>                             | <u>\$ 81,747</u>                             |

The District Attorney reported \$4,772 as deferred outflow of resources related to pension contributions made subsequent to the measurement date.

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

| <u>Year</u> | <u>DARS</u>       |
|-------------|-------------------|
| 2019        | \$ 94,426         |
| 2020        | 56,436            |
| 2021        | 20,947            |
| 2022        | 26,951            |
| 2023        | 47,753            |
|             | <u>\$ 246,513</u> |

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability for the pension plan as of the measurement period for the plan are as follows:

|                                      | <b>DARS</b>   |
|--------------------------------------|---|
| <b>Valuation Date</b>                | June 30, 2018   |
| <b>Actuarial Cost Method</b>         | Entry Age Normal  |
| <b>Actuarial Assumptions:</b>        |   |
| <b>Expected Remaining</b>            |   |
|                                      | 6 years June 30, 2018   |
|                                      | 7 years June 30, 2017   |
| <b>Service Lives</b>                 | 7 years June 30, 2016   |
|                                      | 6 years June 30, 2015   |
|                                      | 6 years June 30, 2014   |
| <b>Investment Rate<br/>of Return</b> | 6.5% net of investment expense  |
| <b>Mortality</b>                     | RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set-back 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants, and beneficiaries. |
|                                      | RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) for disabled annuitants.  |
| <b>Salary Increases</b>              | 5.50% (2.50% Inflation, 3.00% Merit)  |
| <b>Cost of Living Adjustments</b>    | Only those previously granted   |

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

The long term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates 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.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

The following table provided a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in the Retirement System target asset allocations as of the measurement period date for the plan:

| Asset Class                           | Long-Term Target<br>Asset<br>Allocation<br>DARS | Expected Portfolio<br>Real<br>Rate of Return<br>DARS |
|---------------------------------------|---|--|
| Equities                              | 61.72%  | 10.82%   |
| Fixed Income                          | 28.95%  | 6.36%  |
| Alternatives                          | 8.85%   | 10.50%   |
| Cash                                  | 0.48%   | 0.50%  |
| Total                                 | 100.0%  |  |
| Inflation                             |   | 2.50%  |
| Expected Arithmetic<br>Nominal Return |   | 9.45%  |

***Discount Rate***

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for DARS was 6.5%, for the measurement period years ended June 30, 2018.

**Sensitivity of the Employer’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate**

The following table presents the District Attorney’s proportionate shares of the Net Pension Liability (NPL) using the discount rate of the Retirement System as well as what the District Attorney’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement System:

|                                  | 1.0%<br>Decrease | Current Discount<br>Rate | 1.0%<br>Increase |
|----------------------------------|------------------|--------------------------|------------------|
| DARS<br>Rates                    | 5.5%             | 6.5%                     | 7.5%             |
| District Attorney’s Share of NPL | \$ 1,042,046     | \$ 387,028               | \$ (170,221)     |

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

10. **DEFINED BENEFIT PENSION PLANS** (continued)

Non-employer contribution – In accordance with state statute, DARS received 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. Non-employer contributions were recognized as revenue during the year December 31, 2018, and excluded from pension expense.

11. **DEFERRED COMPENSATION PLAN**

All current employees are eligible to participate in the State of Louisiana Public Employees Deferred Compensation Plan. Through payroll deductions, employees can make pre-tax contributions to this 457 plan from eligible pay. The amount allowed to contribute to the plan is based on taxable compensation as defined by the Internal Revenue Code (IRC). Existing deferred compensation plans with a prior employer may be transferred at any time. In 2018 and 2017, the District Attorney's office matched employee's contributions up to 7.5%, dollar for dollar. The total employer contributions made for December 31, 2018 and 2017 were \$88,409 and \$85,190, respectively.

12. **OPERATING LEASES**

The District Attorney maintains operating leases for seven copiers. The lease term for each of these leases varies from 48-60 months beginning on the date the lease is signed. As of December 31, 2018, the total lease payments were \$22,204. The following schedule by years for future minimal lease payments.

| <u>December 31,</u> | <u>Future<br/>minimum<br/>lease payments</u> |
|---------------------|--|
| 2019                | \$ 11,670                                    |
| 2020                | 11,670                                       |
| 2021                | 11,670                                       |
| 2022                | 8,907  |
| 2023                | 1,301  |
| Total               | <u>\$ 45,218</u>                             |

13. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**DESCRIPTION OF MAJOR FUNDS**

**General Fund** – The General Fund accounts for the operations of the District Attorney’s office.

**Title IV-D Fund** – The Title IV-D Fund consists of reimbursement grant payments from the Louisiana Department of Social 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 families and children, to locate absent parents, to establish paternity, and to obtain family and child support

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | Variance with<br>Final Budget |
|--|-------------------------|-------------------|---------------------------|-------------------------------|
|  | <u>Original</u>         | <u>Final</u>      |                           | Favorable<br>(Unfavorable)    |
| <b><u>REVENUES</u></b>                               |                         |                   |                           |                               |
| Fines and forfeitures                                | \$ 1,035,900            | \$ 956,481        | \$ 967,374                | \$ 10,893                     |
| DAPP fees  | 978,500                 | 870,522           | 861,287                   | (9,235)                       |
| Intergovernmental revenue:                           |                         |                   |                           |                               |
| Police jury and parish councils                      | 1,139,870               | 1,126,137         | 1,140,992                 | 14,855                        |
| School boards  | 56,250                  | 56,250            | 56,250                    | -                             |
| Special District                                     | 39,400                  | 53,800            | -                         | (53,800)                      |
| Grants   | 60,000                  | 73,200            | 73,200                    | -                             |
| State Salary Supplement                              | 922,120                 | 934,158           | 923,778                   | (10,380)                      |
| Parish Salary Supplement                             | 182,120                 | 194,158           | 180,591                   | (13,567)                      |
| Other  | 7,300                   | 9,890             | 9,911                     | 21                            |
| Interest   | 7,910                   | 14,001            | 14,280                    | 279                           |
| <b>Total Revenues</b>                                | <u>4,429,370</u>        | <u>4,288,597</u>  | <u>4,227,663</u>          | <u>(60,934)</u>               |
| <b><u>EXPENDITURES</u></b>                           |                         |                   |                           |                               |
| General Government:                                  |                         |                   |                           |                               |
| Current operating:                                   |                         |                   |                           |                               |
| Personnel service                                    | 3,949,579               | 3,920,138         | 3,962,826                 | (42,688)                      |
| Auto repair & maintenance                            | 24,800                  | 25,717            | 25,763                    | (46)                          |
| Office operations                                    | 454,800                 | 423,042           | 451,939                   | (28,897)                      |
| Travel and conventions                               | 13,560                  | 5,944             | 6,049                     | (105)                         |
| Professional services                                | 56,900                  | 48,539            | 61,481                    | (12,942)                      |
| Other  | 100                     | 340               | 1,745                     | (1,405)                       |
| Capital outlay                                       | 25,700                  | 35,937            | 6,731                     | 29,206                        |
| <b>Total Expenditures</b>                            | <u>4,525,439</u>        | <u>4,459,657</u>  | <u>4,516,534</u>          | <u>(56,877)</u>               |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURED | (96,069)                | (171,060)         | (288,871)                 | (117,811)                     |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>         |                         |                   |                           |                               |
| Transfer in  | -                       | -                 | 92,565                    | (92,565)                      |
| Net change in fund balances                          | (96,069)                | (171,060)         | (196,306)                 | (210,376)                     |
| Fund Balance, Beginning of year                      | 1,129,054               | 1,129,054         | 1,063,785                 | 65,269                        |
| Fund Balance, End of year                            | <u>\$ 1,032,985</u>     | <u>\$ 957,994</u> | <u>\$ 867,479</u>         | <u>\$ (145,107)</u>           |

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**TITLE IV-D FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|   | <u>Original</u>   | <u>Final</u>     | <u>Actual</u>     | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|-------------------|------------------|-------------------|---|
| <b><u>REVENUES</u></b>                        |                   |                  |                   |   |
| Intergovernmental revenue:                    |                   |                  |                   |   |
| Louisiana Department of Social Services       | \$ 198,140        | \$ 188,226       | \$ 209,250        | \$ 21,024   |
| Other   | -                 | -                | 3,103             | 3,103   |
| Interest                                      | 100               | 97               | 99                | 2   |
| <b>Total Revenues</b>                         | <u>198,240</u>    | <u>188,323</u>   | <u>212,452</u>    | <u>24,129</u>   |
| <b><u>EXPENDITURES</u></b>                    |                   |                  |                   |   |
| General Government                            |                   |                  |                   |   |
| Current operating:                            |                   |                  |                   |   |
| Personnel service                             | 133,637           | 173,906          | 176,827           | (2,921)   |
| Office operations                             | 10,630            | 12,549           | 14,879            | (2,330)   |
| Travel and conventions                        | 760               | 530              | 436               | 94  |
| Professional services                         | 6,000             | 18,595           | 17,449            | 1,146   |
| Capital outlay                                | 1,200             | 1,529            | 1,255             | 274   |
| <b>Total Expenditures</b>                     | <u>152,227</u>    | <u>207,109</u>   | <u>210,846</u>    | <u>(3,737)</u>  |
| <b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b> |                   |                  |                   |   |
| <b><u>OVER EXPENDITURES</u></b>               | <u>46,013</u>     | <u>(18,786)</u>  | <u>1,606</u>      | <u>20,392</u>   |
| <b><u>FUND BALANCES</u></b>                   |                   |                  |                   |   |
| Beginning of year                             | <u>90,952</u>     | <u>90,952</u>    | <u>113,910</u>    | <u>(22,958)</u>   |
| End of year                                   | <u>\$ 136,965</u> | <u>\$ 72,166</u> | <u>\$ 115,516</u> | <u>\$ (2,566)</u>   |

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

As of the fiscal year ended (\*):

|   | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> |
|---|-------------|-------------|-------------|-------------|-------------|
|   | <b>DARS</b> | <b>DARS</b> | <b>DARS</b> | <b>DARS</b> | <b>DARS</b> |
| Employer's Proportion of the Net Pension Liability  | 1.2027%     | 1.1605%     | 0.8676%     | 0.7384%     | 0.5676%     |
| Employer's Proportionate Share of the Net Pension Liability (Asset)   | \$ 387,028  | \$ 313,016  | \$ 166,058  | \$ 39,773   | \$ 11,199   |
| Employer's Covered-Employee Payroll   | \$ 379,483  | \$ -        | \$ 524,389  | \$ 426,486  | \$ 319,071  |
| Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 101.9882%   | 0.0000%     | 31.6669%    | 9.3257%     | 3.5099%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 92.92%      | 93.57%      | 95.09%      | 98.56%      | 99.45%      |

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

(\*) The amounts presented have a measurement date of June 30th fiscal year end of the respective retirement system.

The Retirement System reported in this schedule is as follows:  
DARS = District Attorneys' Retirement System

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**SCHEDULE OF THE EMPLOYER'S CONTRIBUTIONS TO  
RETIREMENT SYSTEM  
FOR THE YEAR ENDED DECEMBER 31, 2018 (\*)**

|   | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|
|   | <u>DARS</u> | <u>DARS</u> | <u>DARS</u> | <u>DARS</u> | <u>DARS</u> |
| Contractually Required Contribution <sup>1</sup>                              | \$ 4,796    | \$ -        | \$ 10,221   | \$ 26,695   | \$ 28,589   |
| Contributions in Relation to Contractually Required Contribution <sup>2</sup> | 4,772       | -           | 9,372       | 26,611      | 28,320      |
| Contribution Deficiency (Excess)  | \$ 24       | \$ -        | \$ 849      | \$ 84       | \$ 269      |
| Employer's Covered Employee Payroll <sup>3</sup>                              | \$ 761,302  | \$ -        | \$ 584,074  | \$ 508,470  | \$ 341,560  |
| Contributions as a % of Covered Employee Payroll                              | 0.630%      | 0.000%      | 1.750%      | 5.250%      | 8.370%      |

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

**For reference only:**

<sup>1</sup> Employer contribution rate multiplied by employer's covered employee payroll

<sup>2</sup> Actual employer contributions remitted to Retirement System

<sup>3</sup> Employer's covered employee payroll amount for the fiscal year ended December 31, 2018

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER**  
**PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Agency Head Name/Title: Ricky Babin, District Attorney

| <b><u>PURPOSE</u></b>                              | <b><u>AMOUNT</u></b> |
|--|----------------------|
| Salary - State                                     | \$ 50,000            |
| Salary - Parish Supplement                         | 9,000                |
| Salary - Office                                    | 93,182               |
| Benefits - retirement                              | 590                  |
| Car allowance (amount included in Salary - Office) | 1,182                |
| Conference travel                                  | 925                  |
| Continuing professional education fees             | 435                  |
|  | <u>\$ 155,314</u>    |



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

The Honorable Ricky L. Babin  
District Attorney of the Twenty-Third Judicial District  
Parishes of Ascension, Assumption, and St. James, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Third Judicial District (the "District Attorney"), a component unit of the Ascension Parish Council, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 26, 2019.

**Internal Control Over Financial Reporting**

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

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

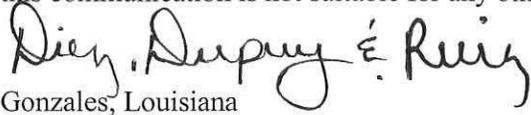
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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



Gonzales, Louisiana  
June 26, 2019

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2018**

**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditor's report expresses an unmodified opinion on whether the financial statements of the District Attorney of the Twenty-Third Judicial District was prepared in accordance with GAAP.
2. No significant deficiencies related to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District Attorney of the Twenty-Third Judicial District, which would be required to be reported in accordance with *Government Auditing Standards*, were reported during the audit.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS – NONCOMPLIANCE WITH STATE LAWS AND REGULATIONS**

None

**DISTRICT ATTORNEY OF THE TWENTY-THIRD JUDICIAL DISTRICT**

**SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED DECEMBER 31, 2018**

**A. FINDINGS – FINANCIAL STATEMENT**

None

**B. FINDINGS – NONCOMPLIANCE WITH STATE LAWS AND REGULATIONS**

None

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**DISTRICT ATTORNEY OF THE TWENTY-THIRD**

**JUDICIAL DISTRICT**

**PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES,**  
**LOUISIANA**

**STATEWIDE AGREED UPON PROCEDURES**

**DECEMBER 31, 2018**

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

To the Honorable Ricky L. Babin, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the 23rd Judicial District (the District Attorney) 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 District Attorney's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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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

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list.*

*Management's response: The DA plans to amend the purchasing policy to address how vendors are added to the vendor list.*

- c) ***Disbursements***, including processing, reviewing, and approving

*Written policies and procedures were obtained and address the functions noted above.*

- 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).

*Written policies and procedures were obtained and do not address the functions noted above for all sources of revenue and agency fund additions generated and collected by the DA.*

*Management's response: The DA intends to amend its policy to address the functions noted above for all sources of revenue and agency fund additions generated and collected by the DA.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*Written policies and procedures were obtained and address the functions noted above.*

- 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

*Written policies and procedures were obtained and address the functions noted above.*

- 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)

*Written policies and procedures were obtained and address the functions noted above with the exception of required approvers of statements.*

*Management's response: The DA plans to amend its policy to address the required approvers of statements.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*Written policies and procedures were obtained and address the functions noted above.*

- 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.

*Written policies and procedures were obtained and address the functions noted above with the exception of the requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethic policy.*

*Management's response: The DA intends to amend its policy to address the requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethic policy.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable.*

### **Board or Finance Committee**

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The entity does not have a board (or Finance Committee), as the District Attorney is an elected official responsible for all oversight of the entity. Therefore, these procedures were not applicable to the entity.*

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

*The entity does not have a board (or Finance Committee), as the District Attorney is an elected official responsible for all oversight of the entity. Therefore, these procedures were not applicable to the entity.*

- 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.

*The entity does not have a board (or Finance Committee), as the District Attorney is an elected official responsible for all oversight of the entity. Therefore, these procedures were not applicable to the entity.*

### **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:

*Obtained listing of client bank accounts from management and management's representation that listing is complete.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*Obtained bank reconciliations for the month selected noting that reconciliations have been prepared within 2 months of the related statement closing date.*

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

*The bank reconciliations included evidence that a member of management, who does not handle cash, post ledgers, or issue checks, has reviewed each bank reconciliation.*

- 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.

*Obtained bank statements and reconciliations for the month selected noting there were not any outstanding items for more than 12 months from the statement closing date.*

### **Collections**

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

*Obtained listing of deposit sites and management's representation that listing is complete.*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (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:

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

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

*Employees responsible for cash collections also share cash drawers/registers.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

- 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.

*Two employees responsible for collecting cash are also responsible for preparing/making bank deposit.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

- 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.

*Two employees responsible for collecting cash are also responsible for posting collection entries to the general ledger or subsidiary ledgers.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

- 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.

*Two employees responsible for collecting cash are also responsible for reconciling cash collections to the general ledger by revenue source.*

*Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.*

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

*No exceptions noted.*

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.

*No exceptions noted.*

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

*No exceptions noted.*

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

*Deposit slips agree to the actual deposit per the bank statement without exception.*

- 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).

*Five out of the thirty-nine collection receipts were not deposited within one business day or one week at the collection location.*

*Management's response: Efforts will be made to deposit collection receipts one business day or one week from the collection location to the extent possible with the limited number of employees involved.*

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

*Deposits per bank statement agree to the general ledger without exception.*

***Non-Payroll Disbursements (excluding card purchase/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).

*Obtained listing of locations that process payments and management's representation that listing is complete.*

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.

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exceptions noted.*

- 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.

*No exceptions noted.*

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

*No exceptions noted.*

#### ***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.

*Obtained listing of credit cards/debit cards/fuel cards and management's representation that 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.]

*On the months observed, supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder without exception.*

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

*No finance charges and/or late fees were assessed on the month tested.*

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).

*Each transaction was supported by an original itemized receipt, documentation of business/public purpose was provided, and if applicable, documentation of individuals participating in meals was provided without exception.*

#### **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:

*Obtained listing of all travel and related expense reimbursements, by person, and management's representation that listing is complete.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*The District Attorney utilizes a standard per diem rate per day for meals and incidental expenses and mileage rate for travel reimbursements that is applicable with GSA rates.*

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

*Itemized receipts were provided for all expense tested that identified what was purchased or reimbursed without exception.*

- 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).

*Each expense was supported by documentation of business purpose without exception.*

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

*Each expense observed was supported by documentation of reviewal and approval in writing by someone other than the traveler without exception.*

## **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:

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 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).

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

## **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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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.)

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

### **Ethics**

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

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

- 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.

### **Debt Service**

---

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Not applicable. The District Attorney does not have any debt.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable. The District Attorney does not have any debt.*

### **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.

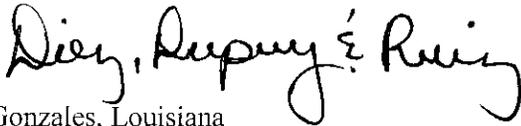
*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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.

*Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.*

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

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

A handwritten signature in black ink, reading "Dier, Dupuy & Ruiz". The signature is written in a cursive style with a large, stylized initial 'D'.

Gonzales, Louisiana  
June 26, 2019