

**District Attorney of the Thirty-Second
Judicial District
Terrebonne Parish, Louisiana**

Annual Financial Report
As of and for the
Year Ended December 31, 2019

**District Attorney of the Thirty-Second
Judicial District**
Annual Financial Report
For the Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of the District Attorney of the Thirty-Second Judicial District (District Attorney), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, and each major fund of the District Attorney of the Thirty-Second Judicial District as of December 31, 2019, 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 on pages 4 through 10, the budgetary comparison schedules on pages 43 and 44, and the pension-related schedules on pages 45 and 46 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

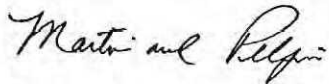
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the District Attorney on page 47 and the Schedule of Expenditures of Federal Awards on page 56, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the District Attorney and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the District Attorney and the Schedule of Expenditures of Federal Awards are 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 15, 2020 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Houma, Louisiana

June 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

This discussion and analysis of the District Attorney of the Thirty-Second Judicial District's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2019. Please read it in conjunction with the financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Position and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Fund Financial Statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds) tell how 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 his independent auditor's report that the financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Information, is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the parts in the Annual Financial Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the District Attorney of the Thirty-Second Judicial District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. 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.

These two statements report the net position and changes in them. You can think of net position—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

The Terrebonne Children's Advocacy Center (Advocacy Center) is a legally separate, nonprofit organization that reports under FASB standards. The Advocacy Center was created to coordinate the community's response to the problem of child abuse. These activities are discreetly presented as a component unit in the government-wide Statement of Net Position and Statement of Activities.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District Attorney of the Thirty-Second Judicial District utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on pages 16 and 17.

The District Attorney of the Thirty-Second Judicial District is the trustee, or fiduciary, for funds confiscated for asset forfeitures under state law. These fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the other financial statements because these funds cannot be used to finance operations. The District Attorney is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

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

- Net position of our governmental activities decreased by \$722,858 or 18.7 percent.
- During the year, the District Attorney had judicial expenses of \$5,727,727 that were \$658,468 more than the \$5,069,259 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$1,708,652. This compares to the prior year ending fund balance of \$2,325,744 resulting in a decrease of \$617,092.

The Statement of Net Position and the Statement of Activities reports all transactions as governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public finance most of these activities.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

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

Condensed Statement of Net Position

	2018	2019	Dollar Change	Percent Change
Current and other assets	\$ 3,122,953	\$ 2,598,333	\$ (524,620)	-16.8%
Capital assets, net	1,775,136	1,679,346	(95,790)	-5.4%
Total assets	4,898,089	4,277,679	(620,410)	-12.7%
Deferred outflows of resources	175,091	176,600	1,509	0.9%
Current liabilities	833,389	925,916	92,527	11.1%
Long-term liabilities	290,671	280,798	(9,873)	-3.4%
Total liabilities	1,124,060	1,206,714	82,654	7.4%
Deferred inflows of resources	76,184	97,487	21,303	28.0%
Net investment in capital assets	1,667,616	1,608,057	(59,559)	-3.6%
Unrestricted	2,205,320	1,542,021	(663,299)	-30.1%
Total net position	\$ 3,872,936	\$ 3,150,078	\$ (722,858)	-18.7%

The District Attorney's net position decreased as a result of this year's operations. 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) decreased by \$663,299 during the year. The balance in net position represents the accumulated results of all past years' operations.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS AS A WHOLE (GWFS) (Cont.)

Our analysis below focuses on the changes in net position of the governmental-type activities.

Condensed Statement of Activities

	2018	2019	Dollar Change	Percent Change
Total program expenses	\$ (5,311,630)	\$ (5,727,727)	\$ (416,097)	7.8%
Total program revenues	4,990,723	5,069,259	78,536	1.6%
Net program income	(320,907)	(658,468)	(337,561)	105.2%
Other income	203,446	255,698	52,252	25.7%
Other financing sources (uses)	364,037	(320,088)	(684,125)	-187.9%
Change in net position	246,576	(722,858)	(969,434)	-393.2%
Net position:				
Beginning of the year	3,626,360	3,872,936	246,576	6.8%
End of the year	\$ 3,872,936	\$ 3,150,078	\$ (722,858)	-18.7%

The amount spent on programs related to operating the District Attorney's office increased by 7.8%. Total program revenues increased by 1.6% or \$78,536 from the prior year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The District Attorney of the Thirty-Second Judicial District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District Attorney is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund includes revenue and expenditures necessary to the operation of the District Attorney's office such as personnel, benefits, the pretrial intervention program and operation and maintenance of facilities. The General Fund reflected \$2,988,228 in total revenues, including \$1,222,185 in fines and fees collected and \$1,434,002 in payments received from the TPCG for salaries and benefits for the District Attorney's office. Total current expenditures were \$3,490,289. Capital outlay was \$6,751. Debt service expenditures for vehicles were \$26,239 of which \$23,026 was for principal payments. After

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS) (Cont.)

a \$300,628 excess of expenditures over revenues for the year, the ending fund balance was \$1,165,592. The General Fund had nonspendable fund balance of \$19,419 for prepaid expenses and \$1,146,173 in the unassigned category.

The IV-D Program Fund is a Special Revenue fund that accounts for grants received and expenditures for Child Support Enforcement. The amount received from the State of Louisiana this year was \$770,295. Total current expenditures for IV-D programs were \$670,034. Debt service expenditures for vehicles were \$15,490. After a \$235,809 excess of expenditures over revenues for the year, the ending fund balance was \$257,289, of which \$11,882 was nonspendable and \$245,407 was restricted.

The IWC Program Fund is a Special Revenue fund that accounts for the collection of worthless checks throughout the Parish. Total current expenditures were \$3,120. After a \$56,197 excess of expenditures over revenues for the year, the ending fund deficit was \$71,929.

The Drug Court Program Fund is a Special Revenue fund that accounts for grants received from the State of Louisiana and fees assessed for DWI tickets and expenditures for operating the Drug Court Program. The amount received from the State of Louisiana this year was \$1,136,918. Total current expenditures were \$1,145,421. Capital outlay was \$28,459. After a \$19,282 excess of expenditures over revenues for the year, the ending fund balance was \$357,700, \$6,545 of which was nonspendable and \$351,155 of which was restricted.

BUDGETARY HIGHLIGHTS

The District Attorney's annual budget is adopted on a modified accrual basis of accounting excluding noncash items, such as depreciation. The District Attorney amended both its general fund budget and its special revenue budget once during the year.

The District Attorney experienced favorable revenue variances for both the General Fund and the Special Revenue Funds. The District Attorney experienced an unfavorable expense variance of 1.67% for the General Fund and an unfavorable expense variance for the Special Revenue Funds of 7.35%.

CAPITAL ASSETS

Capital assets include office equipment, weapons, computer equipment, vehicles, buildings/leasehold improvements, and land recorded at historical cost of \$3,149,879. Also included in this category is software that is amortized as an intangible asset. Accumulated depreciation as of December 31, 2019 is \$1,470,533 resulting in an ending book balance of \$1,679,346. These capital assets include land and buildings in the name of the Thirty-Second Judicial Enforcement District (a blended component unit of the District Attorney's office). Depreciation expense of \$130,999 was recorded for the year.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

CAPITAL ASSETS (Cont.)

More detailed information about the capital assets is presented in the notes to financial statements. However, a summary of current and prior year capital assets for the primary government and blended component unit follows:

	<u>2018</u>	<u>2019</u>
Land	\$ 92,286	\$ 92,286
Equipment and furniture	127,812	134,415
Weapons	24,521	24,521
Computer equipment	103,785	131,235
Vehicles	453,014	453,014
Software	113,188	113,188
Buildings and improvements	<u>2,200,064</u>	<u>2,201,220</u>
Total capital assets	3,114,670	3,149,879
Less accumulated depreciation	<u>(1,339,534)</u>	<u>(1,470,533)</u>
Total capital assets, net	<u>\$ 1,775,136</u>	<u>\$ 1,679,346</u>

A summary of current and prior year capital assets for the discretely presented component unit follows:

	<u>2018</u>	<u>2019</u>
Land	\$ 150,000	\$ 150,000
Equipment and furniture	126,172	113,556
Buildings and improvements	<u>1,354,858</u>	<u>1,354,858</u>
Total capital assets	1,631,030	1,618,414
Less accumulated depreciation	<u>(421,763)</u>	<u>(439,962)</u>
Total capital assets, net	<u>\$ 1,209,267</u>	<u>\$ 1,178,452</u>

Depreciation expense of \$44,414 was recorded for the year.

NOTES PAYABLE FOR VEHICLES

Notes for vehicle purchases are recorded as liabilities. The total amount of principal paid on all notes was \$36,231 resulting in an ending balance of \$71,289.

Interest paid on notes payable in the governmental funds was \$5,498. More detailed information about the notes payable is presented in the notes to financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors were considered when budgeting for the next fiscal year. Possible new laws and regulations, increased rates and fees that would be charged, and possible new grant funding sources were all considered.

Highlights of next year's General Fund budget include:

Estimated revenue	<u>\$ 1,695,000</u>
Personnel services and benefits	1,350,000
General operating	800,000
Capital outlay	<u>10,000</u>
Total estimated expenditures	<u>2,160,000</u>
Estimated excess of expenditures over revenue	(465,000)
Estimated beginning fund balance	<u>906,000</u>
Estimated ending fund balance	<u><u>\$ 441,000</u></u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney of the Thirty-Second Judicial District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Kevin Guidry, Administrator
Terrebonne Parish District Attorney
7856 Main Street, Suite 220
Houma, LA 70360
Phone number (985) 873-6500

FINANCIAL STATEMENTS

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Net Position
December 31, 2019

	Government Activities	Component Unit Advocacy Center
Assets		
Cash	\$ 1,830,745	\$ 268,970
Investments	238,468	-
Due from other governmental units	491,274	-
Prepaid expenses	37,846	14,564
Total Current Assets	2,598,333	283,534
Capital assets	3,149,879	1,618,414
Accumulated depreciation	(1,470,533)	(439,962)
Net Capital Assets	1,679,346	1,178,452
Deposits	-	14,700
Total Assets	4,277,679	1,476,686
Deferred Outflows of Resources	176,600	-
Liabilities		
Accounts payable and accrued liabilities	727,661	3,385
Restitution payable	162,020	-
Current portion of notes payable	36,235	-
Total Current Liabilities	925,916	3,385
Net pension liabilities	245,744	-
Long-term portion of notes payable	35,054	-
Total Long-term Liabilities	280,798	-
Total Liabilities	1,206,714	3,385
Deferred Inflows of Resources	97,487	-
Net Position		
Net investment in capital assets	1,608,057	1,178,452
Unrestricted	1,542,021	294,849
Total Net Position	\$ 3,150,078	\$ 1,473,301

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Activities
December 31, 2019

	<u>Government Activities</u>	<u>Component Unit Advocacy Center</u>
REVENUES		
Judicial activities:		
Operating grants	\$ 3,477,041	\$ -
Charges for services	1,592,218	-
Fiduciary activities:		
Rental income	-	252,000
Scholarship income	-	32,500
Donations	-	22,875
TOTAL REVENUES	<u>5,069,259</u>	<u>307,375</u>
EXPENSES		
Judicial activities:		
Personnel services and benefits	3,972,845	-
General operating	1,623,883	-
Depreciation	130,999	-
Fiduciary activities:		
Depreciation	-	44,414
Office operations	-	36,228
Direct program expenditures	-	59,005
Other	-	800
Insurance	-	23,865
Fundraising	-	16,217
Repairs and maintenance	-	8,998
Personnel services and contract labor	-	4,750
Conventions, travel, and meals	-	2,081
TOTAL EXPENSES	<u>5,727,727</u>	<u>196,358</u>
OTHER INCOME (EXPENSE)		
Pension-related	241,656	-
Miscellaneous income	10,401	2,020
Interest earned	5,076	-
Gain on asset forfeitures	4,063	-
Interest expense	(5,498)	-
TOTAL OTHER INCOME (EXPENSE)	<u>255,698</u>	<u>2,020</u>

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Activities
December 31, 2019

	<u>Government Activities</u>	<u>Component Unit Advocacy Center</u>
OTHER FINANCING USES		
Operating transfers out	<u>(320,088)</u>	<u>-</u>
 CHANGE IN NET POSITION	 (722,858)	 113,037
NET POSITION - Beginning	<u>3,872,936</u>	<u>1,360,264</u>
NET POSITION - Ending	<u><u>\$ 3,150,078</u></u>	<u><u>\$ 1,473,301</u></u>

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Balance Sheet
 Governmental Fund Type
 December 31, 2019

	General Fund	IV-D Program Fund	Worthless Check Collection Fund	Drug Court Program Fund	Component Unit 32nd Judicial Enforcement District	Totals
Assets						
Cash	\$ 1,399,334	\$ 131,234	\$ 50,677	\$ 249,500	\$ -	\$ 1,830,745
Investments	205,412	-	-	33,056	-	238,468
Due from other governmental units	164,313	128,473	-	198,488	-	491,274
Prepaid expenses	19,419	11,882	-	6,545	-	37,846
Total Assets	\$ 1,788,478	\$ 271,589	\$ 50,677	\$ 487,589	\$ -	\$ 2,598,333
Liabilities and Fund Balance						
Liabilities:						
Accounts payable and accrued liabilities	\$ 541,150	\$ 14,300	\$ 42,322	\$ 129,889	\$ -	\$ 727,661
Restitution payable	81,736	-	80,284	-	-	162,020
Total Liabilities	622,886	14,300	122,606	129,889	-	889,681
Fund Balance:						
Nonspendable:						
Prepaid expenses	19,419	11,882	-	6,545	-	37,846
Restricted for:						
IV-D program	-	245,407	-	-	-	245,407
Worthless check collections program	-	-	(71,929)	-	-	(71,929)
Drug program	-	-	-	351,155	-	351,155
Unassigned	1,146,173	-	-	-	-	1,146,173
Total Fund Balance	1,165,592	257,289	(71,929)	357,700	-	1,708,652
Total Liabilities and Fund Balance	\$ 1,788,478	\$ 271,589	\$ 50,677	\$ 487,589	\$ -	\$ 2,598,333

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Governmental Fund Type
For the Year Ended December 31, 2019

	General Fund	IV-D Program Fund	Worthless Check Collection Fund	Drug Court Program Fund	Component Unit 32nd Judicial Enforcement District	Totals
REVENUES						
Intergovernmental	\$ 135,826	\$ 770,295	-	\$ 1,136,918	-	\$ 2,043,039
Payments received on behalf	1,434,002	-	-	-	-	1,434,002
Fines and fees	1,222,185	-	-	37,575	-	1,259,760
Reimbursed attorney fees and salaries	145,649	150,000	-	-	-	295,649
Asset and bond forfeitures	36,809	-	-	-	-	36,809
Other	10,401	-	-	-	-	10,401
Interest earned	3,356	696	207	817	-	5,076
Total Revenues	2,988,228	920,991	207	1,175,310	-	5,084,736
EXPENDITURES						
General government - judicial - current:						
Personnel services	1,348,073	444,578	-	458,328	-	2,250,979
Salary and benefit payments on behalf	1,434,002	-	-	-	-	1,434,002
Professional fees	197,544	6,300	1,800	125,438	-	331,082
Operating leases	101,527	89,224	-	81,390	-	272,141
Drug screenings	18,177	-	-	184,324	-	202,501
Direct program expenditures	14,638	-	-	112,189	-	126,827
Office operations	37,431	14,544	888	58,202	-	111,065
Trials, training, seminars, and travel	49,719	25,103	-	28,719	-	103,541
Telephone and utilities	42,607	20,299	-	34,600	-	97,506
Insurance	45,772	23,021	-	12,091	-	80,884
Criminalistics lab	73,140	-	-	-	-	73,140
Automobile expenditures	16,268	33,783	-	5,185	-	55,236
Dues and services	38,018	4,520	432	5,300	-	48,270
Repairs and maintenance	27,933	8,387	-	8,470	-	44,790
Public service announcements	40,212	-	-	-	-	40,212
Other	4,703	-	-	30,910	-	35,613
Children's Advocacy Center	275	275	-	275	-	825
Refunded forfeitures	250	-	-	-	-	250
Total current expenditures	3,490,289	670,034	3,120	1,145,421	-	5,308,864
Capital outlay	6,751	-	-	28,459	-	35,210
Debt service:						
Principal	23,026	13,205	-	-	-	36,231
Interest	3,213	2,285	-	-	-	5,498
Total Expenditures	3,523,279	685,524	3,120	1,173,880	-	5,385,803
OTHER FINANCING SOURCES (USES)						
Gain on asset forfeitures	4,063	-	-	-	-	4,063
Operating transfers in (out)	230,360	(471,276)	(53,284)	(20,712)	(5,176)	(320,088)
Total Financing Sources (Uses)	234,423	(471,276)	(53,284)	(20,712)	(5,176)	(316,025)
EXPENDITURES OVER REVENUES	(300,628)	(235,809)	(56,197)	(19,282)	(5,176)	(617,092)
FUND BALANCES						
Beginning of year	1,466,220	493,098	(15,732)	376,982	5,176	2,325,744
End of year	\$ 1,165,592	\$ 257,289	\$ (71,929)	\$ 357,700	\$ -	\$ 1,708,652

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2019

Fund balance - governmental fund	\$ 1,708,652
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$3,149,879, net of accumulated depreciation of \$1,470,533, are not financial resources and, therefore, are not reported in the governmental funds.	1,679,346
Deferred outflows of resources related to net pension liability are not available resources, and therefore, are not reported in the funds.	176,600
Current portion of \$36,235 and long-term portion of \$35,054 of notes payable are not financial resources and are therefore not reported in the funds.	(71,289)
Liabilities not due and payable in the current period and, therefore, are not reported in the funds: Net pension liabilities	(245,744)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and therefore, are not reported in the funds.	<u>(97,487)</u>
Net position of governmental activities	<u>\$ 3,150,078</u>

See notes to financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Reconciliation of the Statement of Governmental Fund Revenues,
Expenditures and Changes in Fund Balance to the
Statement of Activities
For the Year Ended December 31, 2019

Change in fund balance - governmental fund		\$ (617,092)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, whereas in the statement of activities, these costs are depreciated over their estimated useful lives.		
Capital outlays	35,210	
Depreciation expense	(130,999)	(95,789)
Governmental fund reports debt incurrence as other financing source and debt repayments as an expenditure, whereas these are not presented on the Statement of Activities.		
Principal payments on notes	<u>36,231</u>	36,231
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liabilities:		
Increase in pension expense	<u>(46,208)</u>	<u>(46,208)</u>
Change in net position of government activities		<u><u>\$ (722,858)</u></u>

See notes to financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Fiduciary Net Position
Asset Forfeiture Fund
December 31, 2019

Assets

Cash and cash equivalents	<u>\$ 1,149,422</u>
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Total Assets	<u><u>\$ 1,149,422</u></u>
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Liabilities

Due to others	<u>\$ 1,149,422</u>
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Total Liabilities	<u><u>\$ 1,149,422</u></u>
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See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Changes in Fiduciary Net Position
For the Year Ended December 31, 2019

Beginning Balance as of December 31, 2018	<u>\$ 853,490</u>
Additions	
Operating transfer in	320,088
Assets forfeited	150,301
Interest earned	<u>2,545</u>
 Total Additions	 <u>472,934</u>
Disbursements	
Terrebonne Parish Sheriff	50,230
Refunded/other forfeitures	38,021
Terrebonne Parish District Attorney General Fund	33,509
Terrebonne Parish Criminal Court Fund	31,882
HPD forfeitures	14,579
Trials	7,154
DART forfeitures	<u>1,627</u>
 Total Disbursements	 <u>177,002</u>
 Ending Balance as of December 31, 2019	 <u><u>\$ 1,149,422</u></u>

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

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 in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The Thirty-Second Judicial District encompasses Terrebonne Parish, Louisiana.

Note 1 – Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

The District Attorney of the Thirty-Second Judicial District is an independently elected official. However, the District Attorney of the Thirty-Second Judicial District is fiscally dependent on the Terrebonne Parish Consolidated Government for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the District Attorney of the Thirty-Second Judicial District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The accompanying financial statements present the District Attorney's office and its blended component unit over which the District Attorney's office exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District Attorney's office (as distinct from legal relationships).

The **Thirty-Second Judicial Enforcement District** is included in these financial statements as a component unit and is blended with the primary government. The Thirty-Second Judicial Enforcement District owns land and buildings that are utilized by the District Attorney's office as office space for certain sectors of its operations. The land, buildings, and related depreciation are reported in the capital assets of the District Attorney's financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

The **Terrebonne Children's Advocacy Center**, a legally separate nonprofit organization that was created to coordinate the community's response to the problem of child abuse, is included in these financial statements as a component unit and is discretely presented with the primary government. The Terrebonne Children's Advocacy Center owns land and buildings that are leased by the District Attorney's office as office space for certain sectors of its operations. The land, buildings, and related depreciation are reported in the capital assets of the Advocacy Center.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

Governmental Fund Types

Governmental funds account for all or most of the general activities. 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 that may be used to finance future period programs or operations.

Fiduciary Fund Type

The District Attorney utilizes an agency fund fiduciary fund type. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual include fines and assessments that are collected by another governmental body on the District Attorney's behalf and intergovernmental revenue. Interest earned is recorded when credited to the District Attorney's account.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects 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 occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and special revenue funds. All annual appropriations lapse at fiscal year-end. Formal budgetary integration is employed as part of the accounting system, and the budget is amended by supplemental appropriations as needed to comply with state law.

The on-behalf payments received and paid by the Terrebonne Parish Consolidated Government are not budgeted or reflected in the Budget and Actual Statement for the General Fund in this report. The net effect of reflecting the receipt and payment of salaries and benefits on-behalf is zero.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

A reconciliation of total revenues and current expenditures for the General Fund follows:

	<u>Total Revenue</u>	<u>Total Current Expenditures</u>
Actual (Page 15)	\$ 2,988,228	\$ 3,490,289
On-Behalf Payments	(1,434,002)	(1,434,002)
Budget (Page 43)	<u>\$ 1,554,226</u>	<u>\$ 2,056,287</u>

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, 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.

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments during the year consisted of certificates of deposit and amounts deposited in the Louisiana Asset Management Pool (LAMP).

H. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>Category</u>	<u>Life</u>
Buildings and improvements	20 - 40 years
Office equipment and furniture	7 - 10 years
Weapons	7 - 10 years
Computers and software	5 - 10 years
Vehicles	5 years

I. Compensated Absences

Primarily all individuals who work at the District Attorney's Office are employees of the Terrebonne Parish Consolidated Government; therefore, no liability for compensated absences is recorded in the District Attorney's financial statements. Vacation and sick leave do not accumulate.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

J. Restricted Net Position

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

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District Attorney through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District Attorney.

Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Interfund transactions on the other hand are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Estimates

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

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 1 – Summary of Significant Accounting Policies (Cont.)

N. RECENT PRONOUNCEMENT

Statement No. 87, "Leases", increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

GASB Statement No. 84, "*Fiduciary Activities*," improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Fund has implemented this Statement, resulting in no material effect on the financial statements.

Note 2 – Deposits and Investments

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivisions.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 2 – Deposits and Investments (Cont.)

The year-end balance of deposits is as follows for the primary government:

	<u>Bank Balances</u>	<u>Reported Amounts</u>		
		<u>Governmental</u>	<u>Agency</u>	<u>Total</u>
Cash	\$ 3,055,562	\$ 1,830,745	\$ 1,149,422	\$ 2,980,167
Certificates of deposit	205,412	205,412	-	205,412
Totals	<u>\$ 3,260,974</u>	<u>\$ 2,036,157</u>	<u>\$ 1,149,422</u>	<u>\$ 3,185,579</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2019, \$2,704,667 of the District Attorney's bank balance was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District Attorney's name.

Cash was adequately collateralized in accordance with state law by securities held by an unaffiliated bank for the accounts of the District Attorney. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

The year-end balance of deposits is as follows for the component units:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash - Thirty-Second Judicial Enforcement District	\$ -	\$ -
Cash - Terrebonne Children's Advocacy Center	\$ 270,885	\$ 268,970

As of December 31, 2019, the Terrebonne Children's Advocacy Center's cash balances were exposed to credit risk. The balances were only insured by FDIC coverage of \$250,000.

Investments:

State statutes authorize the District Attorney to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District Attorney's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 2 – Deposits and Investments (Cont.)

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District Attorney's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The District Attorney's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District Attorney will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities 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, invests 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.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 2 – Deposits and Investments (Cont.)

- 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. The WAM for LAMP's total investments is 76 days as of December 31, 2019.
- Foreign currency risk: Not applicable.

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. Investment in LAMP as of December 31, 2019 amounted to \$33,056 and is classified on the Statement of Net Position as "Investments".

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.

A reconciliation of deposits and investments as shown on the Statement of Net Position combined with the Statement of Fiduciary Net Position is as follows:

Reported amount of deposits	\$ 3,185,579
Reported amount of investments	<u>33,056</u>
Total	<u><u>\$ 3,218,635</u></u>
Cash	\$ 2,980,167
Investments	<u>238,468</u>
Total	<u><u>\$ 3,218,635</u></u>

Note 3 – Due from Other Governmental Units

The due from other governmental units balance consists of the following:

Due From	General Fund	IV-D Program	Drug Court	Total
State of Louisiana	\$ 97,500	\$ 128,473	\$ 198,488	\$ 424,461
Terrebonne Parish Consolidated Government	39,302	-	-	39,302
Terrebonne Levee and Conservation District	10,075	-	-	10,075
Terrebonne Parish Sheriff's Office	13,662	-	-	13,662
City Court of Houma	3,774	-	-	3,774
	<u>\$ 164,313</u>	<u>\$ 128,473</u>	<u>\$ 198,488</u>	<u>\$ 491,274</u>

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 4 – On-Behalf Payments and Expenditures of the District Attorney Not Included in the Financial Statements

The accompanying financial statements are not required to be and do not include certain expenditures of the District Attorney paid out of the funds of the Terrebonne Parish Consolidated Government for such costs as insurance, utilities, legal fees, et cetera.

The District Attorney, Assistant District Attorneys, and office staff employees receive on-behalf payments for salaries and benefits from the Terrebonne Parish Consolidated Government that are required to be reported in the financial statements of the Terrebonne Parish District Attorney. As reported on page 16 of these financial statements, \$1,434,002 was received and paid by Terrebonne Parish Consolidated Government for salaries and benefits. Revenues and expenditures have been recognized in the general fund for these on-behalf payments.

Note 5 – Capital Assets

A summary of changes in capital assets follows:

	January 1, 2019	Additions	Deletions	December 31, 2019
Capital assets not being depreciated:				
Land	\$ 92,286	\$ -	\$ -	\$ 92,286
Capital assets being depreciated:				
Equipment and furniture	127,812	6,603	-	134,415
Weapons	24,521	-	-	24,521
Computer equipment	103,785	27,450	-	131,235
Vehicles	453,014	-	-	453,014
Software	113,188	-	-	113,188
Buildings and improvements	2,200,064	1,156	-	2,201,220
Total capital assets being depreciated	3,022,384	35,209	-	3,057,593
Less accumulated depreciation:				
Equipment and furniture	(100,445)	(8,054)	-	(108,499)
Weapons	(22,315)	(836)	-	(23,151)
Computer equipment	(76,838)	(13,508)	-	(90,346)
Vehicles	(341,917)	(42,180)	-	(384,097)
Software	(82,660)	(11,319)	-	(93,979)
Buildings and improvements	(715,359)	(55,102)	-	(770,461)
Total accumulated depreciation	(1,339,534)	(130,999)	-	(1,470,533)
Subtotal	1,682,850	(95,790)	-	1,587,060
Total capital assets, net	\$ 1,775,136	\$ (95,790)	\$ -	\$ 1,679,346

The land and buildings are in the title of the Thirty-Second Judicial Enforcement District and are included in these financial statements as a blended component unit with the primary government.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 5 – Capital Assets (Cont.)

A summary of changes in capital assets for the discretely presented component unit follows:

	January 1, 2019	Additions	Deletions	December 31, 2019
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Equipment and furniture	126,172	13,599	(26,215)	113,556
Buildings and improvements	1,354,858	-	-	1,354,858
Total capital assets	1,631,030	13,599	(26,215)	1,618,414
Less accumulated depreciation:				
Equipment and furniture	(108,181)	(10,543)	26,215	(92,509)
Buildings and improvements	(313,582)	(33,871)	-	(347,453)
Total accumulated depreciation	(421,763)	(44,414)	26,215	(439,962)
Total capital assets, net	\$ 1,209,267	\$ (30,815)	\$ -	\$ 1,178,452

Note 6 – Risk and Insurance

The District Attorney's Office is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

Note 7 – Postemployment Benefits

The District Attorney does not offer post-retirement benefits to its employees.

Note 8 – Notes Payable

The District Attorney has seven notes payable with one financial institution. Interest rates on these notes range from 5.50% to 6.50%. These notes are collateralized by vehicles. Monthly principal and interest payments range from \$363 to \$611. Maturity dates on these notes range from March 23, 2021 through July 20, 2022. The debt service for these notes payable is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 36,235	\$ 3,401	\$ 39,636
2021	29,343	1,231	30,574
2022	5,711	107	5,818
Total	\$ 71,289	\$ 4,739	\$ 76,028

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 8 – Notes Payable (Cont.)

The following is a summary of changes in long-term debt obligations for notes payable for the year:

Balance Beginning of Year	Incurred	Paid	Balance End of Year
\$ 107,520	\$ -	\$ 36,231	\$ 71,289

Note 9 – Retirement Plans

District Attorney Retirement System (System)

Plan Description: The District Attorney's Retirement System, State of Louisiana is a cost-sharing multiple-employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

Eligibility Requirements: All persons who are district attorneys of the State of Louisiana or assistant district attorneys in any parish of the State of Louisiana 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. 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.

Retirement Benefits: 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 if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if 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 with 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 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, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
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As of and for the Year Ended December 31, 2019

Note 9 – Retirement Plans (Cont.)

years of service credit, are 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 an 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 3% (3.50% 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 15 years) or projected continued service to age 60.

Upon the death of a member with less than five 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 five or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to 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 in 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 surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit (not to exceed \$60 per month) and all retired members and surviving beneficiaries who are 65 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. In order for the Board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

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Note 9 – Retirement Plans (Cont.)

Back-Deferred Retirement Option Program (Back-DROP): 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 service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly 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 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 ½ 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 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 the 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.

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially-determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 1.25%.

Non-Employer Contributions: In accordance with state statute, the System receives ad valorem taxes and state revenue-sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2019 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: As of December 31, 2019, the District Attorney reported liabilities in its government-wide financial statements of \$217,936 for its proportionate share of the net pension liabilities of the System. The net pension liabilities were measured as of June 30,

District Attorney of the Thirty-Second Judicial District
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Note 9 – Retirement Plans (Cont.)

2019, and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation performed as of that date. The District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially-determined. As of June 30, 2019, the District's proportional share of the System was 0.677445%, which was a decrease of 0.004147% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District Attorney recognized a pension expense of \$108,901 in its governmental activities related to its participation in the System.

As of December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 937	\$ 68,021
Changes of assumptions	99,261	7,188
Net difference between projected and actual earnings on pension plan investments	30,564	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>18,007</u>	<u>16,082</u>
	<u>\$ 148,769</u>	<u>\$ 91,291</u>

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

<u>Year</u>	
2020	\$ 19,199
2021	9,399
2022	12,780
2023	26,755
2024	<u>(10,655)</u>
Total	<u>\$ 57,478</u>

District Attorney of the Thirty-Second Judicial District
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Notes to Financial Statements
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Note 9 – Retirement Plans (Cont.)

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected Salary Increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality Rates	The RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using scale AA were selected for employees, annuitants, and beneficiaries. The RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) was selected for disabled annuitants.
Expected Remaining Service Lives	6 years – June 30, 2018 and June 30, 2019 7 years – June 30, 2016 and June 30, 2017 6 years – June 30, 2014 and June 30, 2015
Cost of Living Adjustments	Only those previously granted

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

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially-determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those

District Attorney of the Thirty-Second Judicial District
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Note 9 – Retirement Plans (Cont.)

assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate: The following presents the net pension liability calculated using the discount rate of 6.50%, as well as, what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate as of June 30, 2019.

	Changes in Discount Rate:		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	<u>\$ 593,638</u>	<u>\$ 217,936</u>	<u>\$ (101,974)</u>

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately-issued financial report for the System.

Parochial Employees Retirement System of Louisiana (PERS)

The District Attorney of the Thirty-Second Judicial District contributes to Parochial Employees' Retirement System of Louisiana (PERS), under Plan B, which is a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Plan B was designated for employees that remained in Social Security on the revision date. Sections 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (LA R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.persla.org.

Plan Descriptions: For the year ended December 31, 2018, there were 211 contributing municipalities in Plan A and 53 in Plan B. The District Attorney of the Thirty-Second Judicial District is a participant in Plan B only.

The following is a description of the plan and its benefits and is provided for general information purposes only.

District Attorney of the Thirty-Second Judicial District
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Note 9 – Retirement Plans (Cont.)

All permanent District Attorney employees who work at least 28 hours per week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

Any member of Plan B who was hired before January 1, 2007 can retire providing the member meets one of the following criteria:

1. Age 55 with thirty (30) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) year of creditable service.

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

1. Age 55 thirty (30) or more years of creditable service.
2. Age 62 with ten (10) or more years of creditable service.
3. Age 67 with seven (7) or more years of creditable service.

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

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50, and until remarriage, if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in

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Note 9 – Retirement Plans (Cont.)

liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the system, the funds may be credited to the self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state of the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his/her years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Employer Contributions: Employer contributions are actuarially-determined each year. For the year ended December 31, 2019, employer contributions were 7.5%.

Non-Employer Contribution: In accordance with state statute, the System also receives $\frac{1}{4}$ of 1.0% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue-sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources: As of December 31, 2019, the District Attorney reported a liability in its government-wide financial statements of \$27,808 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of December 31, 2018 by an actuarial valuation performed of the retirement system as of the date. The District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2018, the District Attorney's proportionate share of the System was 0.102929%.

District Attorney of the Thirty-Second Judicial District
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Notes to Financial Statements
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Note 9 – Retirement Plans (Cont.)

For the year ended December 31, 2019, the District Attorney recognized a pension expense of \$15,599 in its governmental activities related to its participation in the System.

As of December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 6,196
Changes in assumptions	7,727	-
Changes in proportion	1,062	-
Difference between projected and actual investment earnings on pension plan investments	<u>19,042</u>	<u>-</u>
	<u><u>\$ 27,831</u></u>	<u><u>\$ 6,196</u></u>

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

<u>Year</u>	
2019	\$ 6,898
2020	3,320
2021	3,082
2022	<u>8,335</u>
Total	<u><u>\$ 21,635</u></u>

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

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal Cost

District Attorney of the Thirty-Second Judicial District
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Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 9 – Retirement Plans (Cont.)

Expected Remaining Service Lives	4 years
Investment Rate of Return	6.50%, per annum (net of fees)
Inflation Rate	2.40% per annum
Salary Increase	4.25%
Cost of Living Adjustments	Benefits currently being paid and those previously granted
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees, General Employees, and General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality (Health Retirees) and disabled annuitants (General Disabled Retirees).

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

Sensitivity to Changes in Discount Rate: The following presents the net pension liability/(asset) of the participating employers calculated using the discount rate of 6.50%, as well as what the employer's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate as of December 31, 2018.

Changes in Discount Rate:			
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	\$ 73,160	\$ 27,808	\$ (10,082)

District Attorney of the Thirty-Second Judicial District
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Note 9 – Retirement Plans (Cont.)

Support of Non-Employer Contributing Entities: Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District Attorney recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2019, the District Attorney recognized revenue as a result of support received from the non-employer contributing entities of \$6,173 for its participation in the System.

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the System available at www.persla.org.

Certain individuals who work at the District Attorney's offices are paid by the Terrebonne Parish Consolidated Government and are also members of the Parochial Employees Retirement System of Louisiana. Retirement expense related to these individuals for the year ended December 31, 2019 was \$287,864. Plan information, including actuarial valuation information and funding status, can be found in the annual report of the Terrebonne Parish Consolidated Government.

Note 10 – Rent

The District Attorney leases the building from which the Child Support, PTI, and Drug Court/DWI departments operate from the Terrebonne Children's Advocacy Center. This agreement includes monthly lease payments of \$21,000 and matures on January 15, 2021. Rent expense incurred under this lease was \$252,000 for the year ended December 31, 2019.

Future amounts due under this lease are:

<u>December 31,</u>	
2020	\$ 252,000
2021	<u>21,000</u>
	<u><u>\$ 273,000</u></u>

The District Attorney leases a parking lot near to the building from which it operates from an unrelated third party under a monthly lease agreement. This agreement includes monthly lease payments of \$700. Rent expense incurred under this lease was \$8,400 for the year ended December 31, 2019.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

Note 11 – Subsequent Events

Subsequent events were evaluated by management through June 15, 2020, which is the date the financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On January 30, 2020, the World Health Organization declared the COVID-19 "Coronavirus" outbreak a public health emergency. The virus rapidly spread from China to regions across the globe, eventually reaching the United States of America. As of the date of these financial statements, the United States' governing bodies implemented drastic measures in an effort to slow the spread of the virus, including mandatory quarantining of certain areas of the population. Such efforts will likely have a negative impact on the local economy in which the District Attorney operates. No estimate of the financial effects of this event can be made at this time.

REQUIRED SUPPLEMENTAL INFORMATION

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Budgetary Comparison Schedule – General Fund
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines and fees	\$ 1,500,000	\$ 1,300,000	\$ 1,222,185	\$ (77,815)
Reimbursed attorney fees and salaries	-	-	145,649	145,649
Intergovernmental	55,000	45,000	135,826	90,826
Asset and bond forfeitures	-	-	36,809	36,809
Other	150,000	150,000	10,401	(139,599)
Interest earned	-	-	3,356	3,356
Total Revenues	<u>1,705,000</u>	<u>1,495,000</u>	<u>1,554,226</u>	<u>59,226</u>
EXPENDITURES				
General government - judicial - current:				
Personnel services and benefits	1,200,000	1,200,000	1,348,073	(148,073)
General operating	850,000	850,000	708,214	141,786
Total Current Expenditures	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,056,287</u>	<u>(6,287)</u>
Capital outlay	5,000	5,000	6,751	(1,751)
Debt service:				
Principal	-	-	23,026	(23,026)
Interest	-	-	3,213	(3,213)
Total Expenditures	<u>2,055,000</u>	<u>2,055,000</u>	<u>2,089,277</u>	<u>(34,277)</u>
Excess of Expenditures over Revenues	(350,000)	(560,000)	(535,051)	24,949
OTHER FINANCING SOURCES				
Gain on asset forfeitures	-	-	4,063	4,063
Operating transfers in	-	-	230,360	230,360
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>234,423</u>	<u>234,423</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(350,000)	(560,000)	(300,628)	259,372
FUND BALANCES				
Beginning of year	<u>713,000</u>	<u>1,466,000</u>	<u>1,466,220</u>	<u>220</u>
End of year	<u>\$ 363,000</u>	<u>\$ 906,000</u>	<u>\$ 1,165,592</u>	<u>\$ 259,592</u>

See Independent Auditor's Report.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Budgetary Comparison Schedule – Special Revenue Funds
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental revenue	\$ 600,000	\$ 600,000	\$ 1,907,213	\$ 1,307,213
Reimbursed attorney fees and salaries	-	-	150,000	150,000
Fines and fees	625,000	625,000	37,575	(587,425)
Other	150,000	150,000	-	(150,000)
Interest earned	-	-	1,720	1,720
Total Revenues	<u>1,375,000</u>	<u>1,375,000</u>	<u>2,096,508</u>	<u>721,508</u>
EXPENDITURES				
General government - judicial - current:				
Personnel services	720,000	850,000	902,906	(52,906)
General operating	750,000	850,000	915,669	(65,669)
Total Current Expenditures	<u>1,470,000</u>	<u>1,700,000</u>	<u>1,818,575</u>	<u>(118,575)</u>
Capital outlay	5,000	35,000	28,459	6,541
Debt service:				
Principal	-	-	13,205	(13,205)
Interest	-	-	2,285	(2,285)
Total Expenditures	<u>1,475,000</u>	<u>1,735,000</u>	<u>1,862,524</u>	<u>(127,524)</u>
Excess of Revenues Over Expenditures	<u>(100,000)</u>	<u>(360,000)</u>	<u>233,984</u>	<u>593,984</u>
OTHER FINANCING USES				
Operating transfers out	<u>-</u>	<u>-</u>	<u>(545,272)</u>	<u>(545,272)</u>
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(545,272)</u>	<u>(545,272)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(100,000)</u>	<u>(360,000)</u>	<u>(311,288)</u>	<u>48,712</u>
FUND BALANCES				
Beginning of year	<u>383,000</u>	<u>854,000</u>	<u>854,348</u>	<u>348</u>
End of year	<u>\$ 283,000</u>	<u>\$ 494,000</u>	<u>\$ 543,060</u>	<u>\$ 49,060</u>

See Independent Auditor's Report.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Employer's Share of Net Pension Liability
Year Ended December 31, 2019

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
District Attorneys' Retirement System					
2019	0.677445%	\$ 217,936	\$ 423,772	51.43%	93.13%
2018	0.681592%	219,331	377,275	58.14%	92.92%
2017	0.762205%	205,583	312,385	65.81%	93.57%
2016	0.516196%	98,804	342,341	28.86%	95.09%
2015	0.541230%	29,154	438,105	6.65%	98.56%

Parochial Employees' Retirement System (PERS) Plan B

2019	0.102929%	\$ 27,808	\$ 51,176	54.34%	91.93%
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Notes to Schedule:

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

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Employer Contributions
Year Ended December 31, 2019

<u>Year</u>	<u>Statutorily Required Contributions</u>	<u>Contributions in Relation to Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
District Attorneys' Retirement System					
2019	\$ 4,979	\$ 4,979	\$ -	\$ 398,311	1.25%
2018	-	-	-	423,772	0.00%
2017	-	280	(280)	377,275	0.07%
2016	10,933	10,933	-	312,385	3.50%
2015	23,964	23,964	-	342,341	7.00%

Parochial Employees' Retirement System (PERS) Plan B

2019	\$ 8,765	\$ 8,765	\$ -	\$ 116,872	7.50%
2018	3,838	3,838	-	51,176	7.50%

Notes to Schedule:

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

OTHER INFORMATION

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to the District Attorney
For the Year Ended December 31, 2019

Agency Head Name: Joseph L. Waitz, Jr., District Attorney

Purpose	Amount
Salary	\$ 68,697
Car allowance/automobile expense	9,000
Benefits	5,496
Travel	1,472
Conference travel	1,503
Cell phone	977
Registration fees	450
Membership fees	-
Deferred compensation	-
Reimbursements	-
Per diem	-
Service fees	-
Vehicle provided by government	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE

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

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the District Attorney of the Thirty-Second Judicial District (the District Attorney), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 15, 2020.

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 opinion 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

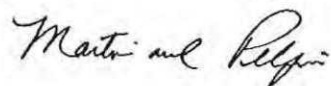
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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 a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government 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.



Houma, Louisiana
June 15, 2020

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the District Attorney of the Thirty-Second Judicial District.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. No instances of noncompliance required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. No deficiencies in internal control were noted during the audit of internal control over the major federal award program.
5. The auditor’s report on compliance for the major federal award program for the District Attorney of the Thirty-Second Judicial District expresses an unmodified opinion on the major federal program.
6. No audit findings relative to the major federal award program were noted.
7. The program tested as a major program was the U.S. Department of Health and Human Services Child Support Enforcement program, CFDA #93.563.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The District Attorney of the Thirty-Second Judicial District qualified as a low-risk auditee.
10. A management letter was not issued.

Section II – Financial Statement Findings

No findings related to the basic financial statements of the District Attorney of the Thirty-Second Judicial District were noted during the audit.

Section III – Internal Control Findings

No findings related to the District Attorney of the Thirty-Second Judicial District’s internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Findings and Questioned Costs – Major Federal Award Program Audit

No significant control deficiencies, findings, or questioned costs were noted during the audit of the major federal award program.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2019

The contact person for all corrective actions noted below is Mr. Kevin Guidry, Administrator.

Section I – Internal Control and Compliance

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Prior Findings and Resolution Matters
For the Year Ended December 31, 2019

Note: The prior findings all relate to the December 31, 2018 audit engagement.

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

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Thirty-Second Judicial District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney's major federal programs for the year ended December 31, 2019. The District Attorney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The District Attorney's financial statements include the operations of the Thirty-Second Judicial Enforcement District (blended component unit) and the Terrebonne Children's Advocacy Center (legally separate nonprofit organization), which expended no federal awards and is not included in the District Attorney's schedule of expenditures of federal awards during the year ended December 31, 2019.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District Attorney's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the

United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the District Attorney's compliance.

Opinion on Each Major Federal Program

In our opinion, the District Attorney of the Thirty-Second Judicial District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

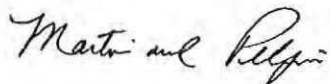
Report on Internal Control Over Compliance

Management of the District Attorney is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Martin and Kelly".

Houma, Louisiana
June 15, 2020

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES/</u>			
<u>Administration for Children and Families/</u>			
<u>Pass-through payments from the Louisiana Department</u>			
<u>of Children and Family Services</u>			
Child Support Enforcement	93.563	20000349118	\$ 508,395 *
<u>Substance Abuse and Mental Health Services</u>			
<u>Administration</u>			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243	5H79TI080156-02 5H79TI080156-03	356,689
<u>Administration for Children and Families/</u>			
<u>Pass-through payments from the State of Louisiana/</u>			
<u>Office of the Judicial Administrator</u>			
Temporary Assistance for Needy Families	93.558	N/A	255,031
<u>U.S. DEPARTMENT OF JUSTICE/</u>			
<u>Office of Justice Programs/</u>			
<u>Bureau of Justice Assistance</u>			
Drug Court Discretionary Grant Program	16.585	2016-DC-BX-0069 2019-DC-BX-0041	140,671
<u>Office for Victims of Crime/</u>			
<u>Pass-through payments from the Louisiana</u>			
<u>Commission on Law Enforcement</u>			
Crime Victim Assistance	16.575	2017-VA-01/02/03-4485 N/A 2016-VA-01/02/03-4831	95,000 30,000 10,826
<u>U.S. DEPARTMENT OF TRANSPORTATION/</u>			
<u>Department of Public Safety and Corrections/</u>			
<u>Pass-through payments from the Louisiana</u>			
<u>Highway Safety Commission</u>			
Alcohol Open Container Requirements	20.607	2000378886 2000377705	75,000 20,040
			<u>\$ 1,491,652</u>

* Denotes a major program

See Independent Auditor's Report.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District Attorney of the Thirty-Second Judicial District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note B – Definition of a Major Program

The Single Audit Act defines a major program based on the total federal awards expended during the year.

Note C – CFDA Numbers

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the OMB's Catalog of Federal Domestic Assistance.

Note D – Indirect Cost Rate

The District Attorney did not elect to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

STATEWIDE AGREED-UPON PROCEDURES

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

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Thirty-Second 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 year ended December 31, 2019. The District Attorney 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 described on pages 59-71.

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 Louisiana Legislative Auditor as a public document.

Martin and Pellegrin

Houma, Louisiana
June 15, 2020

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

The required procedures and our findings are as follows:

Procedures performed on the District Attorney's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the District Attorney's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and inspected the written policy for budgeting and found it to contain the elements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above except for the requirement noted below.

Exceptions: The policy does not include the use of purchase orders.

Management's response: Management will consider adding a purchase order system to the purchasing policy.

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

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements except for the requirement noted below.

Exceptions: Although it is known who collects and makes the deposits at cash collection location number 1, it is not documented in the policy.

Management's response: Management will consider adding the names of those who collect and make deposits at cash collection location number 1 to the policy.

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

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

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements noted above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements except for the requirements noted below.

Exceptions: The policy does not include the types of services requiring written contracts nor legal review of written contracts.

Management's response: Management will consider adding the types of services requiring written contracts and legal review of written contracts to its policy.

- 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

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements except for the requirement noted below.

Exceptions: Although credit card transactions are approved, the required approver is not listed in the policy.

Management's response: Management will consider adding the position of the required approver to its policy.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above except for the requirements below.

Exceptions: Dollar thresholds by category of expense are not disclosed. The policy mentions that meals shall be reimbursed to employees while traveling out of town on any business forum in an amount not to exceed the state-allowed rates. Mileage reimbursement is not discussed in the policy.

Management's response: Management will consider adding dollar thresholds and the mileage rate to the written policy.

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

- 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

Performance: Obtained and read the ethics policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the District Attorney has a written debt service policy.

Exceptions: While the District Attorney does have a debt service policy, it is not written.

Management's response: The District Attorney will include its debt service policy in its written policies.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for disaster recovery/business continuity and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, as well as monthly financial statements.
- c) 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.

Performance: Determined that board meetings were not required to be held. As such, this section does not apply.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two 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;
 - 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.

Performance: Determined that the procedures under #3 could be excluded as the District Attorney did not have any exceptions in the Bank Reconciliations category in Year 1 and was thereby exempt in Years 2 and 3.

Collections

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

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Observed the listing of cash/check/money order (cash) collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manuals and inquired of client as to all of the requirements.

Exceptions: The person responsible for making the deposit can also collect cash. At cash collection location number 3, five of the employees share two drawers.

Management's response: Management will separate these duties when it is cost-beneficial to do so. Management will continue to closely monitor the collection activities of the District Attorney.

- 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 to the deposit.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees preparing/making bank deposits.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers.

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected policy manuals and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers. Determined that outside certified public accountant reconciles cash accounts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that employees who have access to cash are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Randomly select two deposit dates for five random bank accounts. Obtain supporting documentation for each of the ten deposits and:

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

Performance: Determined that sequentially pre-numbered receipts were included when portions of the ten randomly selected deposits included cash.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if they had collection documentation that agreed to the respective deposit slips. Noted that all collections were supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposit slips agreed to the actual deposits per the bank statements.

Exceptions: There were no exceptions noted.

District Attorney of the Thirty-Second Judicial District
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
As of and for the Year Ended December 31, 2019

Management's response: Not applicable.

- d) Observe that the deposit was made within one business day of receipt at the collection location.

Performance: Determined if deposits from two random dates were deposited within one business day of receipt.

Exceptions: Seven of the ten deposits were not deposited within one day. It could not be determined if three of the deposits were made within one business day of receipt as check stubs are not stamped when they are received.

Management's response: Deposits are made within a reasonable amount of time, not to exceed three to five days.

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

Performance: Inspected deposits from two random deposit dates to determine if the deposits per the bank statements agree to the general ledger.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
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, and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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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 five disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Performance: Determined that the procedures under #8 through #10 could be excluded as the District Attorney did not have any exceptions in the Non-Payroll Disbursements category in Year 2 and was thereby exempt in Year 3.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

12. Using the listing prepared by management, randomly select five cards that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Observed written approvals of credit card transactions on monthly statements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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Performance: Traced selected credit card statements to determine if any finance charges or late fees were applied to balances.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Observed whether randomly selected credit card transactions were supported by the requirements listed above.

Exceptions: Fourteen receipts/invoices were missing; however, one of these invoices is a monthly website charge for which no invoice is ever sent. The business purpose on thirteen receipts and the individuals participating in two meals was not documented.

Management's response: Management will ensure that only credit card purchases supported by the requirements above be paid by the District Attorney.

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

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

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

Performance: Determined that the procedures under #14 could be excluded as the District Attorney did not have any exceptions in the Travel and Travel-Related Expense Reimbursements category in Year 2 and was thereby exempt in Year 3.

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. Obtain management's representation that the listing is complete. Randomly select five contracts from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law.
 - c) If the contract was amended, observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the five 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.

Performance: Determined that the procedures under #15 could be excluded as the District Attorney did not have any exceptions in the Contracts category in Year 2 and was thereby exempt in Year 3.

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 five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Observed the listing of employees with their related salaries from management and received management's representation of completeness in a separate letter. Compared compensation in the salary schedules with payments made to randomly selected employees. Reviewed salary/hourly amounts in personnel files.

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Exceptions: There were no exceptions noted.

Management's response: Not applicable.

17. Randomly select one pay period during the fiscal period. For the five 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.

Performance: Randomly selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: The attendance of salaried employees is not documented.

Management's response: Salaried employees are not required to document their attendance, only their absences.

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

Performance: Confirmed that attendance and leave records were reviewed and approved by the proper supervisor.

Exceptions: The attendance of salaried employees is not documented.

Management's response: Salaried employees are not required to document their attendance, only their absences; however, a spreadsheet provides their set salary/hourly amount to be paid.

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

Performance: Inquired and confirmed that the District Attorney maintains written leave records for each employee eligible for paid leave.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inquired and inspected list of employees that terminated during the period and received management's representation of completeness in a

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separate letter. Determined that no termination payments were made or required.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, and health insurance premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Ethics

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

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

Performance: Determined that the procedures under #20 could be excluded as the District Attorney did not have any exceptions in the Ethics category in Year 1 and was thereby exempt in Years 2 and 3.

Debt Service

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

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Performance: Determined that the procedures under #21 and #22 could be excluded as the only debt outstanding by the District Attorney is for vehicles purchased under State contract. This type of debt is not subject to the requirements of this section.

Other

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

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.