
**DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT**

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2020

DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Nineteenth Judicial District (the “District Attorney”), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District Attorney’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s 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 District Attorney’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 District Attorney’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of proportionate share of the total other post-employment benefit liability, the schedule of proportionate share of the net pension liability, and the schedule of employer's contributions to retirement systems schedules on pages 4 - 10, 41 - 42, 43, 44, and 45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 Agency Head, the Pretrial Intervention Program – Schedule of Revenues and Expenditures, the Judicial System Funding Schedule – Collecting/Disbursing Entity and the Justice System Funding Schedule – Receiving Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head, the Pretrial Intervention Program – Schedule of Revenues and Expenses, the Judicial System Funding Schedule – Collecting/Disbursing Entity and the Justice System Funding Schedule – Receiving Entity, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2021, 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 the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 22, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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

FINANCIAL HIGHLIGHTS

- The District Attorney's total net position decreased by \$1.4 million over the course of this year's operations.
- Expenses for the year were \$16,381,216, a decrease of approximately \$1,168,000, or 6.7% as compared to the prior year.
- The General Fund reported a net change in fund balance of \$867,213.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The remaining statements are fund financial statements that focus on individual funds of the District Attorney and reporting the operations in these funds in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources being held belong.

The financial statements also include notes that further explain the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Figure A-1 Major Features of District Attorney’s Government and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District Attorney governmental activities (except fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary	Instances in which the District Attorney is the trustee or agent for someone else’s resources, such as cash seizures
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statements of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the District Attorney’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District Attorney's net position and change in net position. Net position—the difference between the District Attorney's assets and deferred outflows, and liabilities and deferred inflows—is one way to measure the District Attorney's financial health, or position.

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

The government-wide financial statements, all of the District Attorney's activities are reported as government activities:

- Governmental activities—most of the District Attorney's basic services are included here. Fines and city and state grants finance most of these activities.

Fund Financial Statements

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

The District Attorney has two kinds of funds:

- Governmental funds—Most of the District Attorney's basic services are included in governmental funds, which focus on (1) cash and other financial assets that are readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it provides additional information on the subsequent page of each statement that explains the relationship (or differences) between them.
- Fiduciary funds — Custodial Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Custodial Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. These activities are excluded from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Governmental Activities

Net position. The District Attorney's combined net position decreased by approximately \$1.4 million or 3.6% from the net position of the previous fiscal year. The decrease is the result of expenses exceeding revenues during the fiscal year ended December 31, 2020.

**Table A-1
District Attorney's Net Position**

	Governmental Activities	
	2020	2019
Cash and receivables	\$ 1,808,424	\$ 876,291
Capital assets, net of depreciation	321,198	474,491
Total assets	<u>2,129,622</u>	<u>1,350,782</u>
Deferred outflows of resources:		
Deferred outflow amounts related to pension liability	4,933,407	7,291,741
Deferred outflow amounts related to other post-employment benefit liability	3,131,361	1,356,729
Total deferred outflows of resources	<u>8,064,768</u>	<u>8,648,470</u>
Account payable and other liabilities	156,197	77,577
Compensated absences	700,491	666,822
Total other post-employment benefit liability	24,909,612	21,183,915
Net pension liability	19,302,102	21,804,720
Total liabilities	<u>45,068,402</u>	<u>43,733,034</u>
Deferred inflows of resources:		
Deferred inflow amounts related to pension liability	2,916,489	776,559
Deferred inflow amounts related to other post-employment benefit liability	2,998,129	4,870,075
Total deferred inflows of resources	<u>5,914,618</u>	<u>5,646,634</u>
Net position		
Net investment in capital assets	321,198	474,491
Restricted	125,467	139,167
Unrestricted	(41,235,295)	(39,994,074)
Total net position	<u>\$ (40,788,630)</u>	<u>\$ (39,380,416)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Changes in net position. The District Attorney's total revenues increased by approximately \$252,821, or 1.6% (See Table A-2). Approximately \$160,000 of that increase is the result of an increase in on-behalf support recognized from the State of Louisiana pertaining to the special funding situation described in Note 6 to the financial statements. Approximately \$5.9 million or 37% of the District Attorney's revenue comes from payments made on behalf of the District Attorney by the State of Louisiana and the City of Baton Rouge/Parish of East Baton Rouge (City-Parish) for payroll related costs. Expenses exceeded revenues by approximately \$1,408,000 and \$2,670,000 during 2020 and 2019, respectively. The decrease in the deficiency is primarily due to decreases in expenses as a result of reductions in the workforce and operating costs due to the COVID-19 pandemic.

Table A-2
Changes in District Attorney's Net Position

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 1,930,631	\$ 2,240,071
Grants and contributions	13,054,792	12,445,822
General revenues	736,579	783,289
Total revenues	<u>15,722,002</u>	<u>15,469,181</u>
Expenses		
Governmental activities	<u>17,130,216</u>	<u>18,139,190</u>
Decrease in net position	<u>\$ (1,408,214)</u>	<u>\$ (2,670,009)</u>

A further breakdown of expenses by activity is reflected in Table A-3 below:

Table A-3
Net Cost of District Attorney's Governmental Activities

	Total Cost of Services		Net of Program Revenues	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Public safety	\$ 15,463,477	\$ 15,683,299	\$ (1,744,855)	\$ (2,712,439)
Health and Welfare	<u>1,666,739</u>	<u>1,865,892</u>	<u>(399,938)</u>	<u>(740,859)</u>
	<u>\$ 17,130,216</u>	<u>\$ 17,549,191</u>	<u>\$ (2,144,793)</u>	<u>\$ (3,453,298)</u>

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of approximately \$1,652,000, an increase of approximately \$854,000 from prior year. This was the result of increases in intergovernmental revenues as well as decreases in personnel payroll and related costs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

General Fund Budgetary Highlights

- Over the course of the year, the District Attorney amended its general fund budget to reflect changes in estimated revenues and personnel costs. An analysis of the original budgets compared to final amended general fund budget results is reflected in Table A-4:

**Table A-4
Original and Final Amended Budget Comparison
General Fund**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Revenue	\$ 12,746,087	\$ 13,188,073	\$ 441,986
Expenditures	12,964,083	12,376,994	(587,089)
Net change in fund balance	<u>\$ (217,996)</u>	<u>\$ 811,079</u>	<u>\$ 1,029,075</u>

- A comparison of the actual results to the original budget is reflected in Table A-5:

**Table A-5
Original Budget Comparison
General Fund**

	<u>Original Budget</u>	<u>Final Actual</u>	<u>Difference</u>
Revenue	\$ 12,746,087	\$ 13,303,501	\$ 557,414
Expenditures	12,964,083	12,558,740	(405,343)
Other financing sources	-	122,452	122,452
Net change in fund balance	<u>\$ (217,996)</u>	<u>\$ 867,213</u>	<u>\$ 1,085,209</u>

CAPITAL ASSETS

At the end of 2020, the District Attorney had invested \$321,198 in capital assets. (See Table A-6.)

**Table A-6
District Attorney's Capital Assets
(net of accumulated depreciation)**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 183,199	\$ 270,902
Vehicles	137,999	203,589
Total	<u>\$ 321,198</u>	<u>\$ 474,491</u>

The decrease was primarily due to depreciation in the normal course of the assets' lives offset by capital purchases of equipment and vehicles during the year.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

LONG-TERM DEBT

The District Attorney’s long-term debt consists of compensated absences, total other post-employment benefits liabilities, and net pension liability. The District Attorney had \$700,491 in compensated absences payable at year end compared to \$666,822 at the previous year end, an increase of \$33,669, or 5.0%. The District Attorney had \$24,909,612 in total other post-employment benefits payable at year end compared to \$21,183,915 at the previous year end, an increase of \$3,725,697, or 17.6%. The District Attorney had \$19,302,102 in net pension liability at year end compared to \$21,804,720 at the previous year end, a decrease of \$2,502,618, or 11.5%. (See Table A-7.)

**Table A-7
District Attorney’s Long-Term Debt**

	Governmental Activities	
	2020	2019
Compensated absences	\$ 700,491	\$ 666,822
Other post-employment benefits obligation	24,909,612	21,183,915
Net pension liability	19,302,102	21,804,720
Total	\$ 44,912,205	\$ 43,655,457

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The District Attorney is dependent on the State of Louisiana and the City of Baton Rouge for approximately 72% of its general fund revenues. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth. In response to the recurring losses in the general fund and a deteriorating fund balance and net position in recent years, the District Attorney began its efforts to reduce operating costs by reducing personnel and other operating costs beginning in 2018. As described in note 12, these measures may have a negative impact on the District Attorney’s ability to continue performing its governmental function as measured prior to the reduction in staff.

COVID-19 PANDEMIC

As described in Note 9 to the financial statements, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. The pandemic has negatively impacted the global economy. Locally, funding sources, vendors and employees could be negatively impacted, all of which is uncertain and cannot be predicted.

CONTACTING THE DISTRICT ATTORNEY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District Attorney’s finances and to demonstrate the District Attorney’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jermaine Guillory, Chief of Administration, 222 St. Louis St., Governmental Building, 5th Floor, Baton Rouge, LA 70802.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,543,964
Receivables	264,460
Capital assets, net of accumulated depreciation	<u>321,198</u>
 TOTAL ASSETS	 <u>2,129,622</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to pension liability	4,933,407
Deferred outflow amounts related to other post-employment benefit liability	<u>3,131,361</u>
	8,064,768
<u>LIABILITIES</u>	
Accounts payable	127,441
Other liabilities	28,756
Long-term liabilities	
Due in one year:	
Accrued compensated absences	700,491
Total other post-employment benefit liability	665,000
Due in more than one year:	
Total other post-employment benefit liability	24,244,612
Net pension liability	<u>19,302,102</u>
 TOTAL LIABILITIES	 <u>45,068,402</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to pension liability	2,916,489
Deferred inflow amounts related to other post-employment benefit liability	<u>2,998,129</u>
	5,914,618
<u>NET POSITION</u>	
Net investment in capital assets	321,198
Restricted for grant program	125,467
Unrestricted (deficit)	<u>(41,235,295)</u>
 TOTAL NET POSITION	 <u>\$ (40,788,630)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Unit</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
Public safety	\$ 15,463,477	\$ 1,930,631	\$ 11,787,991	\$ (1,744,855)
Health and welfare	1,666,739	-	1,266,801	(399,938)
Total governmental activities	<u>\$ 17,130,216</u>	<u>\$ 1,930,631</u>	<u>\$ 13,054,792</u>	(2,144,793)
General Revenues:				
				3,734
				403,741
				<u>329,104</u>
				736,579
				(1,408,214)
				<u>(39,380,416)</u>
				<u>\$ (40,788,630)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents	\$ 1,357,622	\$ 186,342	\$ 1,543,964
Accounts receivable	199,420	65,040	264,460
Interfund receivables	<u>126,932</u>	<u>5,557</u>	<u>132,489</u>
 TOTAL ASSETS	 <u>\$ 1,683,974</u>	 <u>\$ 256,939</u>	 <u>\$ 1,940,913</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 124,407	\$ 3,034	\$ 127,441
Other liabilities	27,250	1,506	28,756
Interfund payables	<u>5,557</u>	<u>126,932</u>	<u>132,489</u>
 TOTAL LIABILITIES	 <u>157,214</u>	 <u>131,472</u>	 <u>288,686</u>
Fund balances:			
Spendable:			
Restricted	-	125,467	125,467
Unassigned	<u>1,526,760</u>	<u>-</u>	<u>1,526,760</u>
 TOTAL FUND BALANCES	 <u>1,526,760</u>	 <u>125,467</u>	 <u>1,652,227</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,683,974</u>	 <u>\$ 256,939</u>	 <u>\$ 1,940,913</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balances - Governmental Funds \$ 1,652,227

Amounts reported in the Statement of Net Position are different due to:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. This is the amount of capital assets, net of accumulated depreciation, in the current period.

Cost of capital assets at December 31, 2020	2,492,393	
Less: accumulated depreciation as of December 31, 2020	<u>(2,171,195)</u>	321,198

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

Compensated absences	(700,491)	
Total other post-employment benefit liability	(24,909,612)	
Net pension liability	<u>(19,302,102)</u>	(44,912,205)

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

Deferred outflow of resources-related to net pension liability and pension contributions	4,933,407	
Deferred inflow of resources-related to net pension liability	<u>(2,916,489)</u>	2,016,918

An employer that participates in a stand alone post-employment benefit plan other than pension is required to recognize related expense and report its deferred outflows and inflows of resources. These deferrals reported on the Statement of Net Position consist of:

Deferred outflow of resources-related to total other post-employment benefit liability	3,131,361	
Deferred inflow of resources-related to total other post-employment benefit liability	<u>(2,998,129)</u>	<u>133,232</u>

Total Net Position for year ended December 31, 2020 \$ (40,788,630)

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Fines and forfeitures	\$ 912,897	\$ -	\$ 912,897
Interest	3,339	395	3,734
Intergovernmental revenue:			
Federal grants	1,049,296	1,266,801	2,316,097
City of Baton Rouge	7,194,324	-	7,194,324
State of Louisiana - supplemental salaries	2,400,371	-	2,400,371
State of Louisiana - victim assistance	120,000	-	120,000
Pre-trial intervention program fees	749,533	-	749,533
Other fees	268,201	-	268,201
Other local support	275,000	-	275,000
Other	330,540	-	330,540
TOTAL REVENUES	<u>13,303,501</u>	<u>1,267,196</u>	<u>14,570,697</u>
<u>EXPENDITURES</u>			
General government:			
Current operating:			
Personnel service	11,068,260	1,092,300	12,160,560
Auto and equipment	182,248	10,364	192,612
Supplies and office	424,998	13,053	438,051
Professional services	762,555	14,238	776,793
Other	79,379	28,489	107,868
Capital outlay	41,300	-	41,300
TOTAL EXPENDITURES	<u>12,558,740</u>	<u>1,158,444</u>	<u>13,717,184</u>
<u>EXCESS OF REVENUES</u>			
<u>OVER EXPENDITURES</u>	<u>744,761</u>	<u>108,752</u>	<u>853,513</u>
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers in/(out)	<u>122,452</u>	<u>(122,452)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>867,213</u>	<u>(13,700)</u>	<u>853,513</u>
Fund balances - beginning of year	<u>659,547</u>	<u>139,167</u>	<u>798,714</u>
Fund balances - end of year	<u>\$ 1,526,760</u>	<u>\$ 125,467</u>	<u>\$ 1,652,227</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in fund balances - Governmental Funds		\$	853,513
Amounts reported in the Statement of Activities are different due to:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay included in expenditures	43,583		
Loss on disposals of assets	(1,436)		
Depreciation expense for the year	<u>(195,440)</u>		(153,293)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. These expenditures consist of:			
Change in compensated absences	(33,669)		
Net effects of changes in total post-employment benefit liability, deferred outflows, and deferred inflows.	(79,119)		
Net effects of changes in net pension liability, deferred outflows and deferred inflows.	<u>(1,995,646)</u>		<u>(2,108,434)</u>
Total Change in Net Position for year ended December 31, 2020		<u>\$</u>	<u>(1,408,214)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 148,231
TOTAL ASSETS	<u>148,231</u>
<u>LIABILITIES</u>	
Due to individuals, organizations and other governments	<u>46,082</u>
TOTAL FIDUCIARY NET POSITION	<u>46,082</u>
<u>NET POSITION</u>	
Restricted for individuals, organizations, and other governments	<u>102,149</u>
TOTAL NET POSITION	<u><u>\$ 102,149</u></u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Restitution and check collection	\$ 452,145
Narcotic seizure	347,500
Interest	<u>366</u>
Total Additions	<u>800,011</u>
<u>DEDUCTIONS</u>	
Restitution and check collection	452,237
Narcotic seizure	<u>272,467</u>
Total Deductions	<u>724,704</u>
Net increase in fiduciary net position	75,307
Net position - beginning (as restated)	<u>26,842</u>
Net position - ending	<u><u>\$ 102,149</u></u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Nineteenth Judicial District (District Attorney) has charge of every criminal prosecution by the State within its district, is the representative of the State before the grand jury in its district, is legal advisor to the grand jury, and performs other duties as provided by law. The Nineteenth Judicial District encompasses the Parish of East Baton Rouge, Louisiana.

A. Basis of Presentation

The District Attorney's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

B. Financial Reporting Entity

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

As the governing authority of the Parish, for reporting purposes, the City-Parish Consolidated Government of Baton Rouge (City-Parish) is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the primary government is financially accountable, (c) fiscally dependent, (d) and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental accounting standards established criteria for determining which component units should be considered part of the City-Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The governmental accounting standards have set forth criteria to be considered in determining financial accountability. These criteria include:

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

B. **Financial Reporting Entity** (continued)

The District Attorney is an independently elected official. However, the District Attorney is fiscally dependent on the City-Parish.

Because the City-Parish provides a significant amount of financial revenues, the District Attorney is determined to be a component unit of the City-Parish, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. **Fund Accounting**

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

Governmental Funds

Governmental funds account for all of the District Attorney's taxpayer funded 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 which may be used to finance future period programs or operations of the District Attorney. The following are the District Attorney's governmental funds:

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11 and accounts for the operations of the District Attorney's office.

Special Revenue Fund

The Special Revenue Fund accounts for grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the Special Revenue Fund is to account for money to be used to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

C. **Fund Accounting** (continued)

Fiduciary Type Funds – Custodial Funds

Fiduciary fund reporting focuses on resources held for other parties. The only funds accounted for in this category by the District Attorney are custodial funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the full accrual basis of accounting. The following custodial funds are utilized by the District Attorney:

Narcotic Seizure Fund

The District Attorney's Narcotic Seizure Fund is used to account for assets awarded by court judgments as a result of seizures and forfeitures of property in successfully prosecuted narcotics and other criminal investigations. The proceeds are held in custody by the District Attorney for distribution as provided under applicable Louisiana Statutes.

Defendant Restitution Fund

The District Attorney's Defendant Restitution Fund is used to account for funds awarded to a victim by the court for restitution associated with a defendant's defense. The funds are held in custody by the District Attorney for distribution until the funds are claimed by the respective victim.

Bond Forfeiture Fund

The Bond Forfeiture Fund is used to account for the collection and disbursement of proceeds from the forfeiture of District, Parish, and City Court bail and surety bonds for failure by a defendant to appear in court. The distribution of the proceeds of the bond forfeitures is in accordance with Louisiana Revised Statute 15:571:11 (L) and (M).

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

Government Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the government (the District Attorney). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities are generally financed through fines and forfeitures, intergovernmental revenues and other non-exchange transactions. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

D. **Basis of Accounting / Measurement Focus** (continued)

Government Wide Financial Statements (GWFS) (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District Attorney's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fines and forfeitures (charges) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The GWFS are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs regardless of when cash is received or disbursed. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions, are recognized in accordance with the requirements of GASB Codification Section N50, Non-exchange Transactions.

Fund Financial Statements (FFS)

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

Governmental Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period or 60 days. Commissions on fines and bond forfeitures are reported in the year they are collected. Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met and the resources are measurable and available. Interest income on investments is recorded when earned. Substantially, all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, and general long-term obligations principal and interest payments are recognized only when due. Costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are reported in the period earned by employees.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

E. **Budgets and Budgetary Accounting**

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

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

F. **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. **Receivables**

All receivables are reported at their gross value and consist primarily of grants and fines and forfeitures. The District Attorney expects to collect all balances due to the nature of the receivables and as such no allowance for bad debts has been recorded.

H. **Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District Attorney maintains a capitalization threshold level of \$750 or more.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are disposed or sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 7 years.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

I. **Compensated Absences**

The District Attorney adopted a policy for vacation leave which allows a maximum of 180 hours of vacation leave per calendar year to be earned. Employees may accumulate a maximum of 80 hours to be carried forward to a succeeding calendar year. Upon termination, employees are paid up to 80 hours of their unused vacation leave. In addition, the District Attorney adopted a policy for compensatory leave, whereby employees accrue compensatory time in lieu of overtime up to a maximum of 240 hours. Upon termination, employees are paid up to 240 hours of their unused compensatory time. Sick leave is allowed to accrue and accumulate up to a maximum of 2,080 hours. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations. Under the leave policy adopted, accrual of unused vacation leave and compensatory leave is recognized in the financial statements. However, accrual of unused sick leave is not recognized since the amount accumulated lapses upon termination.

J. **Pension Plans**

The District Attorney is a participating employer in two defined benefit pension plans (plans) as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 5 for additional information on deferred outflows of resources related to other post-employment benefits and Note 6 for additional information on deferred outflows of resources related to defined benefit pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. See Note 5 for additional information on deferred inflows of resources related to other post-employment benefits and Note 6 for additional information on deferred inflows of resources related to defined benefit pension plans.

L. **Operating Transfers In and Out**

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

M. **Use of Estimates**

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

N. **Net Position**

For the government-wide statement of net position, net position amount is classified and displayed in three components:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District Attorney.

O. **Fund Balance of Fund Financial Statements**

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

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

Spendable

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

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

Assigned – represents balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance of Fund Financial Statements (continued)

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

P. Recently Adopted Accounting Standards

In January 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement 84, Fiduciary Activities. The standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the District Attorney controls the assets in a fiduciary activity and (2) if there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The District Attorney has adopted GASB 84 and included the requirements of the standard, as applicable, in its December 31, 2020 financial statements. Refer to Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position in the basic financial statements. Beginning net position was increased by \$26,842 as a result of applying the new standard's criterion for accruing liabilities within a custodial fund.

Q. Current Accounting Standards Scheduled to be Implemented

Following is a summary of accounting standard adopted by the Governmental Accounting Standards Board (GASB) that is scheduled to be implemented in the future that may affect the District Attorney's financial report:

GASB Statement 87, *Leases*. This standard requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The District Attorney will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the District Attorney's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District Attorney is unknown at this time.

2. CASH AND CASH EQUIVALENTS

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. The District Attorney does not have a deposit policy for custodial credit risk; however, state law is designed to limit this risk. State law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2020, the District Attorney's bank balance of demand deposit accounts was \$1,783,327 was fully collateralized or FDIC insured and therefore not exposed to custodial credit risk.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

3. **ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2020, includes grants revenue of approximately \$200,900, fines and bond forfeiture revenues of approximately \$56,200, and approximately \$7,400 in other revenues.

4. **CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2020 are as follows:

<u>Governmental Activities</u>	<u>Balance as of December 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance as of December 31, 2020</u>
Cost of capital assets				
Furniture and equipment	\$ 1,972,585	\$ 17,376	\$ (2,796)	\$ 1,987,165
Vehicles	496,254	26,207	(17,233)	505,228
Total cost of capital assets	<u>2,468,839</u>	<u>43,583</u>	<u>(20,029)</u>	<u>2,492,393</u>
Accumulated depreciation				
Furniture and equipment	1,701,683	105,079	(2,796)	1,803,966
Vehicles	292,665	90,361	(15,797)	367,229
Total accumulated depreciation	<u>1,994,348</u>	<u>195,440</u>	<u>(18,593)</u>	<u>2,171,195</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 474,491</u>	<u>\$ (151,857)</u>	<u>\$ (1,436)</u>	<u>\$ 321,198</u>

Depreciation expense of \$195,440 for the year ended December 31, 2020 was charged to the following governmental functions:

Public safety	\$ 188,053
Health and welfare	
	<u>7,387</u>
	<u>\$ 195,440</u>

5. **TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY**

OPEB Plan for the City-Parish

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney of the Nineteenth Judicial District, the Nineteenth Judicial District Court, the East Baton Rouge Parish Family Court, and the East Baton Rouge Parish Juvenile Court may at their option, participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish's Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. **TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY** (continued)

Plan Description

The City-Parish OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report.

Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his or her coverage paying the same premiums and receiving the same benefits as active employees.

The City-Parish pays the following percentages of the employer portion of scheduled premiums on employees hired after January 1, 2004:

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Current Funding policy

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During the measurement period, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During the measurement period, employees and retirees contributed 11% - 40% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 60% - 89% of the premium base. Effective January 1, 2004, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The District Attorney's portion of the annually adopted premium base is paid by the City-Parish on behalf of the District Attorney. These contributions for the year ended December 31, 2020 totaled \$665,510.

Total OPEB Liability

The District Attorney's proportional share (2.10%) of the total OPEB liability of \$24,909,612 was measured as of December 31, 2019, and was determined by an actuarial valuation date of December 31, 2018. The proportion of the total OPEB liability was based on a percentage of annualized active payroll in proportion to total annualized active payroll for all participating employers. The District Attorney's proportionate share increased from 2.07% to 2.10% since the prior measurement period.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. **TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY** (continued)

Actuarial Assumptions

Inflation	2.30%
Salary Increases	3.00% per annum average, compounded annually
Discount Rate	2.74% (prior year 4.10%) based on the Bond Buyers 20 year bond general obligation index
Mortality	Pub-2010 general mortality with generational projection per Scale MP-2020
Healthcare Cost Trend Rate	
Medical	0% for 2019 - 2020, 5.6% for 2021, gradually decreasing to an ultimate rate of 3.7% for 2074 & beyond
Medicare Eligible	0% for 2019 - 2020, 6.1% for 2021, gradually decreasing to an ultimate rate of 3.7% for 2074 & beyond
Non-Medicare Eligible	0% for 2019 - 2020, 5.3% for 2021, gradually decreasing to an ultimate rate of 3.7% for 2074 & beyond
Medicare Advantage	0% for 2019 - 2020, 3.84% for 2021, gradually decreasing to an ultimate rate of 3.62% for 2075 & beyond
Dental	
Retirement Rates	CPERS participants assumed to retire as follows: Non-Fire – the earlier of 25.5 years of service or age 61 and 11 years of service Fire – the earlier of 26 years of service or age 61 and 11 years of service

Sample rates for MPERS participants are as follows:

<u>Age</u>	<u>Rate</u>
47 – 49	20.5%
50	22.5
51	20.0
52 – 53	22.0
54	23.5
55	42.5
56	22.5
57 – 58	17.0
59	19.0
60 – 65	26.0
66+	100.0

Sensitivity of the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District Attorney’s proportionate share (2.10%), as well as what the District Attorney’s total OPEB liability would be if it were using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	<u>\$ 30,434,254</u>	<u>\$ 24,909,612</u>	<u>\$ 20,740,221</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. **TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY** (continued)

Sensitivity of the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District Attorney’s proportionate share (2.10%), as well as what the District Attorney’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	<u>1.0% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.0% Increase</u>
Total OPEB liability	\$ 20,456,344	\$ 24,909,612	\$ 30,853,291

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended December 31, 2020, the District Attorney’s proportionate share (2.10%) of recognized OPEB expense of \$744,629. At December 31, 2020, the District Attorney’s proportionate share (2.10%) reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 395,224	\$ -
Changes in assumptions	1,883,082	(1,080,680)
Changes in proportion	187,545	(1,917,449)
Employer payments for OPEB as benefits come due subsequent to measurement date of total OPEB liability	665,510	-
Total	<u>\$ 3,131,361</u>	<u>\$ (2,998,129)</u>

The \$665,510 of deferred outflows of resources resulting from the benefit payments subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability during the year ending December 31, 2021. These payments are paid on behalf of the District Attorney by the City-Parish.

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

<u>Years ending December 31:</u>	
2021	\$ (831,004)
2022	(180,386)
2023	479,112
	<u>\$ (532,278)</u>

The amount of total OPEB liability estimated to be due and payable within one year is \$665,000.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) and the District Attorneys' Retirement System (DARS) (hereinafter referred to cumulatively as Plans or Systems). The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge maintains the authority to establish and amend plan benefits for the CPERS plan. The CPERS plan is a component unit of the City-Parish. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of DARS to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. These reports may be obtained by writing, calling or downloading the reports as follows:

CPERS:
209 Saint Ferdinand St.
Baton Rouge, Louisiana 70802
(225) 389-3272
www.brla.gov/264/retirement-system

DARS:
1645 Nicholson Drive.
Baton Rouge, LA 70802-8143
(225) 267-4824
www.ladars.org

Plan Descriptions:

City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)

The Retirement System is a cost sharing multiple employer defined benefit pension plan and is governed by a seven-member Board of Trustees. The Board is responsible for administering the assets of the Retirement System and for making policy decisions regarding investments. The Metropolitan Council maintains the authority to establish and amend plan benefits. Substantially all full-time non-police employees of the City-Parish and other member employers are covered by the Retirement System. The Retirement System actuarially determines the contributions required to fund the plan and collects the contributions as a percentage of payroll each payroll period. The Retirement System exists for the sole benefit of current and former employees of the member employers.

District Attorneys' Retirement System (DARS)

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

Funding Policy

CPERS plan members contributed a percentage of their annual covered salary, which is stipulated in Part IV, Subpart 2, Sec. 1:264(A) 1 (b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the CPERS's actuary. The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge has authority over to determine employee contributions to CPERS.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

Funding Policy (continued)

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

Contributions to the Plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2020, for the District Attorney and covered employees were as follows:

	<u>District Attorney</u>	<u>Employees</u>
DARS	4.00% Blended	8.00%
CPERS	37.20% Blended	9.50%

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

	<u>December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
DARS	\$ 93,963	\$ 61,572	\$ -
CPERS	1,103,193	1,084,563	1,174,881

Additionally, contributions are made to DARS from the State of Louisiana, a non-employer, and these contributions considered a special funding situation as described in the last section of this note. Contributions to DARS from the State of Louisiana for the years ended December 31, 2020, 2019 and 2018 were \$91,053, \$59,797 and \$14,117, respectively.

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

The following schedule lists the District Attorney's proportionate share of the Net Pension Liability allocated by each of the pension plans as of the respective measurement dates for each plan. The District Attorney uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2020, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement dates along with the change compared to the immediately prior measurement 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.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

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

	Measurement Date	Net Pension Liability at Measurement Date	Rate at Measurement Date	Increase (Decrease) to Prior Year Rate
DARS	June 30, 2020	\$ 2,978,184	3.75904%	(0.396384%)
CPERS	December 31, 2019	16,323,918	2.59392%	(0.196783%)
		<u>\$ 19,302,102</u>		

The following schedule lists each pension plan's recognized pension expense for the year ended December 31, 2020:

	Pension Expense
DARS	\$ 859,394
CPERS	2,718,519
DARS Special Funding Situation	840,053
	<u>\$ 4,417,966</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 841,248	\$ (284,321)
Changes of assumptions	1,747,579	(623,838)
Net difference between projected and actual earnings on pension plan investments	482,818	(691,288)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	710,420	(1,076,442)
Difference in contributions	645	(240,600)
Employer contributions subsequent to the measurement date	1,150,697	-
Total	<u>\$ 4,933,407</u>	<u>\$ (2,916,489)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
DARS	\$ 2,046,818	\$ (424,874)
CPERS	2,886,589	(2,491,615)
Total	<u>\$ 4,933,407</u>	<u>\$ (2,916,489)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

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

The District Attorney reported a total of \$1,150,697 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in net pension liability in the year ended December 31, 2021. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
DARS	\$ 47,504
CPERS	<u>1,103,193</u>
	<u>\$ 1,150,697</u>

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

<u>Deferral Period</u>	<u>DARS</u>	<u>CPERS</u>	<u>Total</u>
2021	\$ 341,621	\$ 488,581	\$ 830,202
2022	360,388	(243,987)	116,401
2023	439,309	(82,128)	357,181
2024	236,656	(870,685)	(634,029)
2025	<u>196,466</u>	<u>-</u>	<u>196,466</u>
	<u>\$ 1,574,440</u>	<u>\$ (708,219)</u>	<u>\$ 866,221</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions

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

	CPERS				DARS
Valuation Date	December 31, 2019				June 30, 2020
Actuarial Cost Method	Entry Age Normal				Entry Age Normal
Actuarial Assumptions:					
Expected Remaining Service Lives	5 years				6 years
Investment Rate of Return	7.00% net of investment expenses				6.25% net of investment expenses
Inflation Rate	2.75% per annum				2.30%
Discount Rate	7.00%				6.25%
Mortality	Healthy - RP-2006 Blue Collar (employee for active and annuitant for inactive) Projected back to 2001, Generational with MP 2018 (2016 base year)				Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale.
	Disabled - RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year)				Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale.
					Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale.
Salary Increases	Service	Age	BREC / Regular	Fire / Police	5.00% (2.30 inflation, 2.70% merit)
	<1	22	7.60%	15.50%	
		27 - 32	4.90%	15.50%	
		37 - 62	3.40%	15.50%	
		67	1.50%	15.50%	
	1+	22	7.60%	6.50%	
		27	3.50%	3.50%	
		32	3.50%	3.25%	
		37	3.25%	3.00%	
Cost of Living Adjustments	None				Only those previously granted.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

Actuarial Assumptions (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

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

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

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>		<u>Expected Portfolio Real Rate of Return</u>	
	<u>CPERS</u>	<u>DARS</u>	<u>CPERS</u>	<u>DARS</u>
Equities	50.0%	48.27%	8.00%	5.54%
Fixed income	30.0%	24.54%	3.00%	1.09%
Alternatives	5.0%	26.77%	5.70%	1.87%
Real assets	15.0%	0.42%	5.50%	0.00%
Total	100.0%	100.0%		
Nominal Rate of Return				6.11%
Inflation				2.39%
Expected Arithmetic Nominal Return				<u>8.50%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for CPERS and DARS was 7.00% and 6.25%, for each Plan’s measurement period year ended December 31, 2019, and June 30, 2020, respectively.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
DARS			
Rates	5.25%	6.25%	7.25%
District Attorney’s Share of NPL	\$ 5,540,233	\$ 2,978,184	\$ 915,102
CPERS			
Rates	6.00%	7.00%	8.00%
District Attorney’s Share of NPL	\$ 20,610,883	\$ 16,323,918	\$ 12,731,634

Special Funding Situation

A special funding situation is defined as circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan.

Louisiana Revised Statute 16:10 – 11 stipulates that certain salary amounts for District Attorneys (DAs) and Assistant District Attorneys (ADAs) are payable by the State of Louisiana (State). Further, the total employer contributions allocable to that portion of the respective DAs and ADAs salaries are paid directly to DARS by the State. The State’s proportionate share of the collective net pension liability of DARS associated with the District Attorney of the Nineteenth Judicial District Attorney is approximately \$2,907,000. This allocated share of the State’s net pension liability is not recognized in the District Attorney’s net pension liability. The State’s proportionate share of pension expense associated with the District Attorney is approximately \$840,000, which is recognized as on-behalf support and a corresponding expense in the Statement of changes in Net Position.

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

In accordance with government accounting standards, the District Attorney recognizes on-behalf payments made by the City-Parish or the State of Louisiana for operational costs of the District Attorney. These costs include salary and fringe benefits, and other operating costs. The District Attorney recognizes these payments as revenue and corresponding expenses in the financial statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. **ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS** (continued)

For the year ended December 31, 2020, the District Attorney recorded on-behalf payments in the fund financials from the following sources:

City-Parish of East Baton Rouge	
Retirement contributions	\$ 956,402
Insurance	1,079,046
Postemployment benefits	665,510
Other	<u>22,491</u>
Total	<u>\$ 2,723,449</u>
State of Louisiana	
Salaries	\$ 2,276,312
Retirement contributions	91,053
Payroll taxes	<u>33,006</u>
Total	<u>\$ 2,400,371</u>

As a result of a special funding situation described in Note 6, the State of Louisiana incurred additional pension expense totaling approximately \$749,000, on behalf of the District Attorney. The District Attorney recognized this support in the government-wide financials as on-behalf revenue with a corresponding expense.

8. **FEDERAL FINANCIAL ASSISTANCE PROGRAM**

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2020, the District Attorney expended \$1,266,801 in reimbursable payments. The reimbursable payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include a budget of expected expenditures for each fiscal year ending December 31. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

Other programs are funded by the U. S. Department of Justice totaling \$796,246 which are passed through the Louisiana Commission of Law Enforcement. These programs are funded by reimbursements with certain matching requirements ranging from 0% to 25% to be funded by the District Attorney.

In response to the COVID-19 pandemic, the Federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and a supplement bill, the Coronavirus Relief Fund (CRF). Through the CRF, States were to receive direct payments from the U.S. Department of Treasury, with each State receiving a minimum of \$1.25 billion. Louisiana’s share totaled \$1.8 billion. The State, through the Louisiana Governor’s Office of Homeland Security (GOHSEP), allocated a portion of these funds (\$810 million) to parishes and municipalities who have incurred expenditures due to the public health emergency between the dates of March 1, 2020 and December 31, 2020. Through December 31, 2020, the District Attorney recognized \$253,050 in reimbursable costs.

The District Attorney’s federal assistance is contingent on the District Attorney maintaining compliance with applicable compliance requirements of the respective grants. Failure to maintain compliance or to correct noncompliance within a specified time period could also result in disallowed costs and could in turn result in amounts owed to the grantor agency.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

9. CONTINGENCIES

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

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the District Attorney’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the potentially prolonged impact on the City-Parish and other governmental entities, vendors and employees, all of which are uncertain and cannot be predicted. The extent to which the COVID-19 pandemic may directly or indirectly impact the District Attorney’s financial condition or results of operations cannot be reasonably estimated at this time.

10. RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; health insurance for its employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance for each type of risk to which it is exposed. Settlements have not exceeded insurance coverage in any of the three preceding years.

11. COMPENSATED ABSENCE LIABILITY

At December 31, 2020, employees of the District Attorney have accumulated and vested \$700,491 of employee leave benefits according to the District Attorney’s policy, which were computed in accordance with GASB Classification Section C60. The following is a summary of the compensated absence liability activity during the year:

	<u>Compensated Absences</u>
Beginning Balance	\$ 666,822
Additions (amounts earned)	486,250
Deductions (amounts paid)	<u>(452,581)</u>
Ending Balance	<u>\$ 700,491</u>

12. DISTRICT ATTORNEY’S ABILITY TO CONTINUE PROVIDING PUBLIC SERVICES AT THE CURRENT LEVEL

The District Attorney has historically sustained deficient revenues in the General Fund. As a result of cost cutting measures and a reduction of the workforce, and additional grant revenue pertaining to relief funds associated with the CAREs Act, revenues exceeded expenditures, by approximately \$867,000 in the current year. The City-Parish reimburses the District Attorney for salary and benefit costs paid by the District Attorney’s general fund. However, when these reimbursements exceed the City-Parish’s budgeted support for the District Attorney, the funding effectively stops. The relative declining support for salary and benefit costs is the primary reason for the recurring deficit spending in previous years.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

12. **DISTRICT ATTORNEY'S ABILITY TO CONTINUE PROVIDING PUBLIC SERVICES AT THE CURRENT LEVEL** (continued)

Salary costs for the District Attorney's office are driven by variable factors affecting attorney and investigator salaries and the caseload. The District Attorney adjusts compensation and staff levels commensurate with these factors. The District Attorney has maintained communications with the Mayor-President and the City-Parish Metropolitan Council about the deteriorating financial position of the General Fund. All parties understand that the City-Parish is responsible under State law for funding the reasonable and necessary expenses of the District Attorney's office. In addition, all parties are well aware that the District Attorney has had to use its general fund balance to satisfy existing shortfalls between City-Parish financial contributions and the actual salary and benefit costs of the District Attorney employees. Since 2015, the District Attorney has provided the City-Parish with an annual notice that the District Attorney's general fund, fund balance is reaching dangerously low levels.

In addition to continuing negotiations with the City-Parish, the District Attorney has responded to the deteriorating financial condition by reducing the workforce and vehicle fleet costs over recent years. As a result of the COVID-19 pandemic and associated stay-at-home orders issued by the Governor, courts were closed and/or limited during 2020. This resulted in a reduction of the workforce by approximately 8 personnel or 6% (due to retirement or resignation) as well as a reduction of total operating costs of approximately \$666,000 or 5%. Further, the District Attorney received approximately \$253,000 in federal assistance under the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provided additional funding. As courts reopened in April 2021, costs of the District Attorney going forward are expected to revert to pre-pandemic levels continuing to result in reduced courtroom staffing. Management believes this is not a sustainable level. This could significantly curtail the District Attorney's ability to continue performing its governmental function at the current level.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Fines and forfeitures	\$ 1,000,000	\$ 919,916	\$ 912,897	\$ (7,019)
Interest	11,000	4,000	3,339	(661)
Intergovernmental revenue:				
Federal grants	550,000	715,904	1,049,296	333,392
City of Baton Rouge	7,278,000	7,278,000	7,194,324	(83,676)
State of Louisiana	2,372,837	2,372,837	2,520,371	147,534
Check collection fees	30,000	14,000	-	(14,000)
Narcotic seizure fees	125,000	70,000	-	(70,000)
Pre-trial intervention program fees	1,000,000	800,000	749,533	(50,467)
Other	379,250	1,013,416	873,741	(139,675)
Total Revenues	<u>12,746,087</u>	<u>13,188,073</u>	<u>13,303,501</u>	<u>115,428</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	11,108,297	10,907,311	11,068,260	(160,949)
Auto and equipment	202,116	219,705	182,248	37,457
Supplies and office	344,970	289,849	424,998	(135,149)
Professional services	724,550	731,550	762,555	(31,005)
Other	499,150	162,391	79,379	83,012
Capital outlay	85,000	66,188	41,300	24,888
Total Expenditures	<u>12,964,083</u>	<u>12,376,994</u>	<u>12,558,740</u>	<u>(181,746)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(217,996)</u>	<u>811,079</u>	<u>744,761</u>	<u>(66,318)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in/(out)	<u>-</u>	<u>-</u>	<u>122,452</u>	<u>122,452</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(217,996)</u>	<u>811,079</u>	<u>867,213</u>	<u>56,134</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>896,596</u>	<u>659,547</u>	<u>659,547</u>	<u>-</u>
End of year	<u>\$ 678,600</u>	<u>\$ 1,470,626</u>	<u>\$ 1,526,760</u>	<u>\$ 56,134</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

CHILD SUPPORT ENFORCEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Interest	\$ -	\$ -	\$ 395	\$ 395
Intergovernmental revenue:				
Louisiana Department of Social Services	1,468,409	1,153,629	1,266,801	113,172
Total Revenues	<u>1,468,409</u>	<u>1,153,629</u>	<u>1,267,196</u>	<u>113,567</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	1,518,409	1,092,329	1,092,300	29
Auto and equipment	-	6,000	10,364	(4,364)
Supplies and office	-	26,900	13,053	13,847
Professional services	-	14,500	14,238	262
Other	-	13,900	28,489	(14,589)
Total Expenditures	<u>1,518,409</u>	<u>1,153,629</u>	<u>1,158,444</u>	<u>(4,815)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(50,000)</u>	<u>-</u>	<u>108,752</u>	<u>108,752</u>
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers in/(out)	-	-	(122,452)	(122,452)
<u>NET CHANGE IN FUND BALANCE</u>	<u>(50,000)</u>	<u>-</u>	<u>(13,700)</u>	<u>(13,700)</u>
<u>FUND BALANCE</u>				
Beginning of year	103,902	139,167	139,167	-
End of year	<u>\$ 53,902</u>	<u>\$ 139,167</u>	<u>\$ 125,467</u>	<u>\$ (13,700)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL OTHER
POST-EMPLOYMENT BENEFIT LIABILITY**

<u>OPEB Plan</u>	<u>*Fiscal year ending December 31,</u>	<u>Proportion of total OPEB liability</u>	<u>Proportionate share of total OPEB liability</u>	<u>Covered-employee payroll</u>	<u>Proportionate share of the total OPEB liability as a percentage of its covered employee payroll</u>
City-Parish Plan	2020	2.10%	\$ 24,909,612	\$ 3,610,062	690.01%
City-Parish Plan	2019	2.07%	\$ 21,183,915	\$ 6,352,589	333.47%
City-Parish Plan	2018	2.49%	\$ 25,508,992	\$ 6,416,235	397.57%

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

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

Changes in assumptions -

Discount rate as of 12/31/2019 was 2.74%.

Discount rate as of 12/31/2018 was 4.10%.

Discount rate as of 12/31/2017 was 3.44%.

** The following amounts are reported as of the measurement date which is 12 months prior to the fiscal year end.*

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered 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 Position as a Percentage of the Total Pension Liability</u>
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)						
	2020	2.5939%	\$ 16,323,918	\$ 3,510,774	464.9664%	65.47%
	2019	2.7907%	20,467,907	3,742,807	546.8598%	59.36%
	2018	2.7849%	14,911,275	3,640,874	409.5521%	68.80%
	2017	2.2565%	13,409,150	3,249,903	412.6015%	64.09%
	2016	2.1643%	12,483,496	3,101,168	402.5418%	63.95%
	2015	2.3037%	10,130,058	3,129,883	323.6561%	70.90%
District Attorneys' Retirement System (DARS)						
	2020	3.7590%	\$ 2,978,184	\$ 2,331,903	127.7147%	84.86%
	2019	4.1554%	1,336,813	2,442,130	54.7396%	93.13%
	2018	4.5273%	1,456,852	2,775,361	52.4923%	92.92%
	2017	4.4542%	1,201,381	2,676,412	44.8877%	93.57%
	2016	4.0390%	773,096	2,507,093	30.8364%	95.09%
	2015	4.2494%	228,896	2,486,191	9.2067%	98.56%

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

(*) The amounts presented have a measurement date of the previous fiscal year end as follows:

CPERS - December 31

DARS - June 30

Changes in assumptions - discount rate

	<u>CPERS</u>	<u>DARS</u>
2020	7.00%	6.25%
2019	7.04%	6.50%
2018	7.25%	6.50%
2017	7.25%	6.75%
2016	7.25%	7.00%
2015	7.50%	7.00%

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO RETIREMENT SYSTEMS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)						
	2020	\$ 1,103,193	\$ 1,103,193	\$ -	\$ 3,329,869	33.1302%
	2019	1,084,563	1,084,563	-	3,510,774	30.8924%
	2018	1,174,881	1,174,881	-	3,742,807	31.3904%
	2017	1,052,130	1,052,130	-	3,640,874	28.8977%
	2016	884,258	884,258	-	3,249,903	27.2088%
	2015	820,232	820,232	-	3,101,168	26.4491%
District Attorneys' Retirement System (DARS)						
	2020	\$ 93,963	\$ 93,963	\$ -	\$ 2,335,053	4.0240%
	2019	61,572	61,572	-	2,351,239	2.6187%
	2018	-	-	-	2,614,860	0.0000%
	2017	-	-	-	2,814,164	0.0000%
	2016	43,328	43,328	-	2,522,052	1.7180%
	2015	132,135	132,135	-	2,521,506	5.2403%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered payroll*

² *Actual employer contributions remitted to Retirement Systems*

OTHER INFORMATION

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

District Attorney Hillar Moore

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 183,500
Benefits-insurance	14,567
Benefits-retirement	5,292
Phone allowance	1,300
Vehicle provided by government	9,750
Vehicle maintenance allowance	1,200
Per diem	362
	<u>\$ 215,971</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

PRETRIAL INTERVENTION PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES

Charges for services	\$ 749,533
Total operating revenues	<u>749,533</u>

EXPENDITURES

Salaries	423,965
Employee benefits	253,001
Payroll taxes	5,275
Workers' comp	(141)
Insurance	2,255
Occupancy	2,384
Professional services	25,364
Repairs and maintenance	1,195
Supplies	6,952
Printing	2,200
Telephone	3,000
Internet	672
Dues and conferences	150
Total operating expenditures	<u>726,272</u>

Net revenues (expenditures)	<u>\$ 23,261</u>
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In accordance with the Louisiana Revised Statute 16:17, The surplus generated from administering the PTI program is used to fund the victims assistance programs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	First Six Month Period Ended 06/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 212,448	\$ 65,524
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	98,167	314,750
Pre-Trial Diversion Program Fees	361,957	387,576
Criminal Court Costs/Fees	24,048	32,283
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	232,736	331,718
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	322	43
Other (<i>do not include collections that fit into more specific categories above</i>)	14,300	19,150
Subtotal Collections	731,530	1,085,520
Less: Disbursements To Governments & Nonprofits: (<i>Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.</i>)		
<i>Baton Rouge City Police Department - Asset Forfeiture/Sale</i>	25,295	59,314
<i>East Baton Rouge Parish Sheriff - Asset Forfeiture/Sale</i>	19,329	74,887
<i>Louisiana State Police - Asset Forfeiture/Sale</i>	6,605	3,383
<i>19th Judicial District Criminal Court - Asset Forfeiture/Sale</i>	84,351	-
<i>Other Governments and Nonprofits - Asset Forfeiture/Sale</i>	7,875	18,672
<i>Agency name/collection type</i>	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Self-Disbursed - Restitution	75,461	36,848
Self-Disbursed - Asset Forfeiture/Sale	18,035	47,382
Self-Disbursed - Pre-Trial Diversion Program	361,957	387,576
Self-Disbursed - Criminal Court Costs/Fees	24,048	32,283
Self-Disbursed - Other	14,300	19,150

(Continued)

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2020

	First Six Month Period Ended 06/30/2020	Second Six Month Period Ended 12/31/2020
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	241,198	323,318
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	878,454	1,002,813
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 65,524	\$ 148,231

Ending Balance of "Partial Payments" Collected but not Disbursed *(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.*

-	-
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Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2020

First Six Month Period Ended 06/30/2020	Second Six Month Period Ended 12/31/2020
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Receipts From: *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

<i>East Baton Rouge Parish Sheriff/ Criminal Court Costs/Fees</i>	\$ 314,346	\$ 331,452
<i>East Baton Rouge Parish Sheriff/ Bond Fees</i>	71,763	196,829
<i>Other/ Other</i>	-	-
Subtotal Receipts	\$ 386,109	\$ 528,281

Ending Balance of Amounts Assessed but Not Received *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
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Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
<i>Other (do not include collections that fit into more specific categories above)</i>
Interest Earnings on Collected Balances
<i>Other (do not include collections that fit into more specific categories above)</i>

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND BY
UNIFORM GUIDANCE

**INDEPENDENT AUDITORS' 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**

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Nineteenth Judicial District (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 22, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from 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 District Attorney'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 District Attorney's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 22, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Nineteenth Judicial District's (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District Attorney's major federal program for the year ended December 31, 2020. The District Attorney's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and 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 each major federal program. However, our audit does not provide a legal determination of District Attorney's compliance.

Opinion on Major Federal Program

In our opinion, the District Attorney 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, 2020.



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 black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Baton Rouge, Louisiana
June 22, 2021

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RELATED NOTES
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor Pass-Through Grantor Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services Passed Through the <u>Louisiana Department of Social Services</u>			
Child Support Enforcement Title IV-D	93.563	1304LA4004	\$ 1,266,801
U.S. Department of Justice Passed Through <u>Louisiana Commission of Law Enforcement</u>			
Crime Victim Assistance	16.575	5266	36,310
Crime Victim Assistance	16.575	5227	183,956
Crime Victim Assistance	16.575	5251	149,501
			<u>369,767</u>
Violence Against Women Formula Grant	16.588	5413	<u>22,305</u>
Violent Crime Prosecution	16.738	5288	21,647
Violent Crime Prosecution	16.738	5662	7,216
Smart Prosecution Initiative	16.825	2018-YX-BX-0003	154,790
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DG-BX-0008	<u>220,341</u>
			404,174
U.S. Department of the Treasury Passed Through <u>Louisiana Governor's Office of Homeland Security (GOHSEP)</u>			
Coronavirus Aid, Relief, and Economic Security (CARES) Act	21.019	COVID-19-CRF-155890	<u>253,050</u>
Total Federal Expenditures			<u>\$ 2,316,097</u>

Note A – Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of District Attorney of the Nineteenth Judicial District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note B – Reconciliation to Financial Statements

Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with revenue reported. The revenues for the Title IV-D program are reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances as \$1,266,801 in the Special Revenue Fund and the remaining law enforcement grant revenues totaling \$796,246 are reflected in the General Fund. The Coronavirus Aid Relief, and Economic Security's (CARES Act) revenues of \$253,050 are also reflected in the General Fund.

Note C – De-Minimis Indirect Cost Rate

The District Attorney applies for a calculated indirect cost rate and has elected not to use the 10% de-minimis indirect cost rate.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516(a)?

_____ yes X no

Identification of major programs:

CFDA Numbers
93.563

Name of Federal Program or Cluster
Title IV-D

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The District Attorney was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings – Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs

None.