

DISTRICT ATTORNEY OF THE FOURTH
JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Financial Statements
For the Year Ended December 31, 2019

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

INDEX

	<u>Statement</u>	
Independent Auditor's Report		1-3
REQUIRED SUPPLEMENTARY INFORMATION PART A		
Management's Discussion and Analysis		4-10
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements:		
Statement of Net Position	A	11
Statement of Activities	B	12
Fund Financial Statements:		
Balance Sheet	C	13
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Position	D	14
Statement of Revenues, Expenditures and Changes in Fund Balances	E	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to The Statement of Activities	F	16
Fiduciary Funds:		
Statement of Fiduciary Net Position	G	17
Statement of Changes in Fiduciary Net Position	H	18
Notes to the Financial Statements		19-35
REQUIRED SUPPLEMENTARY INFORMATION PART B		
	<u>Schedule</u>	
Budget Comparison Schedules		
General Fund	I	36
Special Revenue Fund – Title IV-D	II	37
Schedule of Proportionate Share of the Net Pension Liability	III	38
Schedule of Employer Contributions to Pension Plan	IV	38
Notes to Budgetary Comparison Schedules		39

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

INDEX

Schedule

SUPPLEMENTARY INFORMATION

Agency Funds	V	40
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	VI	41

**OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND
BY OFFICE OF MANAGEMENT AND BUDGET *UNIFORM GUIDANCE***

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		42-43
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by Uniform Guidance		44-45
Schedule of Expenditures of Federal Awards		46
Notes to the Schedule of Expenditures of Federal Awards		47
Schedule of Findings and Questioned Costs		48
Schedule of Prior Year Findings		49
Independent Accountant's Report on Agreed Upon Procedures		50-57

INDEPENDENT AUDITOR'S REPORT

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

I 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 Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the basic 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 of the Fourth Judicial District, a component unit of Ouachita Parish Police Jury, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, 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* (Uniform Guidance), and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, and the schedule of expenditures of federal awards, 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* (Uniform Guidance), is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, 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* (Uniform Guidance), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2020, on my consideration of the District Attorney's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

David M. North, CPA (APAC)

West Monroe, Louisiana
June 3, 2020

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

This section of the annual financial report of the District Attorney of the Fourth Judicial District (District Attorney), presents management's discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2019. Please read this in conjunction with the District Attorney's financial statements, which follow this section.

In fiscal year 2019, the District Attorney adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 73-Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendment to Certain Provision of GASE Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.
- *Statement No. 77- Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.
- *Statement No. 84 – Fiduciary Activities* which provides guidance on the identification, accounting and financial reporting of fiduciary activities.

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

Financial Highlights

The following table exhibits some of the more important highlights of the financial results from the year ended December 31, 2019:

The District Attorney's total net position from governmental activities increased \$64,460 from the beginning of the fiscal year as a result of an increase in receipt of drug asset forfeiture fees.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

During the year ended December 31, 2019 the District Attorney's revenue increased \$177,873 from the prior year as a result of grant revenue increases. Expenses increased \$328,680 from the prior year as a result of increases in LACE program costs and computer expenses. The governmental activities reported unrestricted net position of \$6,112,739, which was an increase of \$169,070 from the prior year.

Title IV-D is a cost reimbursement grant and does not report a fund balance.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

Government-wide Statements

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

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

For instance:

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

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

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

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

Fund Financial Statements

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

Some funds are required by State law or by bond covenants.

The District Attorney has two kinds of funds:

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

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

Financial Analysis of the District Attorney as a Whole

Net Position - The District Attorney's combined net position decreased during 2019 by \$64,460 or 1%, from the net position of \$5,522,709 at December 31, 2018, as shown in the following table.

	2019	2018	Variance
Assets			
Other Assets	\$ 6,063,364	\$ 5,760,165	\$ 303,199
Capital Assets	<u>194,193</u>	<u>254,704</u>	<u>(60,511)</u>
Total Assets	<u>6,257,557</u>	<u>6,014,869</u>	<u>242,688</u>
Deferred Outflows	<u>188,545</u>	<u>208,459</u>	<u>(19,914)</u>
Liabilities			
Other Liabilities	471,234	337,107	134,127
Long-term Liabilities	<u>125,729</u>	<u>110,941</u>	<u>14,788</u>
Total Liabilities	<u>596,963</u>	<u>448,048</u>	<u>148,915</u>
Deferred Inflows	<u>261,970</u>	<u>252,571</u>	<u>9,399</u>
Net Position			
Invested in Capital Assets	194,193	254,704	(60,511)
Unrestricted (Restated)	<u>5,392,976</u>	<u>5,268,005</u>	<u>124,971</u>
Total Net Position	<u>\$ 5,587,169</u>	<u>\$ 5,522,709</u>	<u>\$ 64,460</u>

Changes in Net Position - The following condensed government-wide governmental activity statement illustrates the major changes in operations for the District Attorney as compared to 2018. The difference between the increase below and the increase in the preceding table is a prior period adjustment related to the pension disclosure.

	2019	2018
Revenue	\$ 5,160,577	\$ 4,982,704
Expenses	<u>(5,096,117)</u>	<u>(4,767,437)</u>
Increase (Decrease)	<u>\$ 215,267</u>	<u>\$ 215,267</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

The District Attorney's total governmental revenue increased in 2019 by \$177,873 or 3.6%, and expenses increased by \$328,680 or 6.9%, as compared to 2018.

	Governmental Activities		
	2019	2018	Variance
Revenues:			
Program Revenues			
Charges for services	\$ 3,817,882	\$ 3,858,496	\$ 40,614
Operating grants and contributions	1,197,777	1,003,984	193,793
General Revenues			
Local support	72,121	71,360	761
Interest and investment earnings	52,959	44,764	8,195
Miscellaneous	19,838	4,100	15,733
Total revenues	<u>\$ 5,160,577</u>	<u>\$ 4,982,704</u>	<u>\$ 177,873</u>
Expenses			
Public safety and judicial prosecution	<u>5,096,117</u>	<u>4,767,437</u>	<u>328,680</u>
Total expenses	<u>5,096,117</u>	<u>4,767,437</u>	<u>328,680</u>
Increase (decrease) in net position	64,460	215,267	(150,807)
Net position- beginning	<u>5,522,709</u>	<u>5,307,442</u>	<u>215,267</u>
Net position- ending	<u>\$ 5,587,169</u>	<u>\$ 5,522,709</u>	<u>\$ 64,460</u>

Financial Analysis of the District Attorney's Funds

At the end of 2019, the District Attorney's governmental funds reported a combined fund balance of \$5,592,130 which was an increase of \$169,070 from the 2018 balance. The increase in fund balance is due to additional revenues received from intergovernmental grants and drug asset forfeiture proceeds. Further, operational expenses remained relatively unchanged in operating the District Attorney's office.

General Fund Budgetary Highlights

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

The General Fund's actual revenues were more than projected budgeted revenue amounts by \$83,103 due to an increase in drug asset forfeiture fees from expected amounts. The original budget was decreased slightly mainly due to decreased revenue from the traffic diversion programs, and receipt of fines, court costs and fees.

The General Fund's actual expenditures were less than projected budgeted expenditure amounts by \$100,521, due to capital outlays being more than expected offset by a reduction in materials and supplies expenses.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2019

Capital Assets

At the end of 2019, the District Attorney had \$194,193 invested in a broad range of capital assets. This amount represents a net decrease (including additions, deductions, and depreciation) of \$60,500, or approximately 23.8%, from last year. For further detailed information, please refer to Note 6 in the Notes to the Financial Statement.

	December 31,	
	2019	2018
Furniture, Fixtures and Equipment	\$ 61,269	\$ 139,869
Vehicles	<u>132,924</u>	<u>114,835</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 194,193</u>	<u>\$ 254,704</u>

Economic Factors and Next Year's Budget

The District Attorney is partially dependent on the State of Louisiana and the Morehouse and Ouachita Parish Police Juries for partial payment of a portion of overhead and building expenses, some administrative expenses and attorneys' salaries. These entities receive a substantial portion of their revenues from taxes. A portion of the salaries of clerical employees is paid from the Criminal Court funds in Morehouse and Ouachita Parishes. The budget for 2020 is slightly less than the 2019 operating budget.

Contacting the District Attorney's Financial Management

This financial report is designed to provide the citizens, taxpayers and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jennifer H. Johnson, Administrator, 400 St. John Street, Suite 301, Monroe, Louisiana 71201.

BASIC FINANCIAL STATEMENTS

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 2,212,774
Investments	3,335,984
Accounts Receivable	514,606
Capital Assets:	
Depreciable	<u>194,193</u>
Total Assets	<u>6,257,557</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	188,545
<i>Liabilities</i>	
Accounts Payable	\$ 471,234
Net Pension Liability	<u>125,729</u>
Total Liabilities	596,963
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	261,970
<i>Net Position</i>	
Net Investment in Capital Assets	194,193
Net Position - Unrestricted	<u>5,392,976</u>
Total Net Position	<u><u>\$ 5,587,169</u></u>

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

District Attorney of the Fourth Judicial District
 Parishes of Ouachita and Morehouse, Louisiana

Statement of Activities
For the Year Ended December 31, 2019

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities: Public Safety & Judicial Prosecution	<u>\$ 5,096,117</u>	<u>\$ 3,817,882</u>	<u>\$ 1,197,777</u>	<u>\$ -</u>	<u>\$ (80,458)</u>

General Revenues:

Local Support	72,121
Interest Earnings	52,959
Miscellaneous	<u>19,838</u>
Total General Revenues	144,918

Changes in Net Position 64,460

Net Position - Beginning 5,522,709

NET POSITION - ENDING \$ 5,587,169

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Balance Sheet, Governmental Funds
December 31, 2019

	Major Funds		Non-Major Fund	Total
	General Fund	Title IV-D	Worthless Check Collection Fee	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,212,774	\$ -	\$ -	\$ 2,212,774
Investments	3,335,984	-	-	3,335,984
Accounts Receivable	415,544	98,673	389	514,606
Interfund Receivables	49,375	-	-	49,375
<u>Total Assets</u>	<u>\$ 6,013,677</u>	<u>\$ 98,673</u>	<u>\$ 389</u>	<u>\$ 6,112,739</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 421,547	\$ 49,687	\$ -	\$ 471,234
Interfund Payables	-	48,986	389	49,375
<u>Total Liabilities</u>	421,547	98,673	389	520,609
<u>Fund Balance</u>				
Unassigned	5,592,130	-	-	5,592,130
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 6,013,677</u>	<u>\$ 98,673</u>	<u>\$ 389</u>	<u>\$ 6,112,739</u>

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Balance Sheet, Governmental Funds
December 31, 2019

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

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

Fund Balance, Governmental Funds:	\$ 5,592,130
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	194,193
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(261,970)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>62,816</u>
Net Position of Governmental Activities	<u><u>\$ 5,587,169</u></u>

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

	Major Funds		Non-Major Fund	Total
	General Fund	Title IV-D	Worthless Check Collection Fee	
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	\$ 3,360,230	\$ -	\$ 38,220	\$ 3,398,450
Court Cost Fees	199,666	-	-	199,666
Interest Income	52,959	-	-	52,959
Intergovernmental Revenue				
Federal	467,433	613,765	-	1,081,198
State	116,579	-	-	116,579
Local	72,121	-	-	72,121
Drug Asset Forfeiture	143,302	-	-	143,302
Collection Fees	2,303	-	-	2,303
Other	17,535	-	-	17,535
Total Operating Revenue	<u>4,432,128</u>	<u>613,765</u>	<u>38,220</u>	<u>5,084,113</u>
<u>Operating Expenditures</u>				
Current:				
General Government				
Personnel Services	2,663,922	491,520	38,220	3,193,662
Contractual Charges	1,093,896	69,807	-	1,163,703
Materials and Supplies	345,324	34,866	-	380,190
Other Charges	95,209	2,278	-	97,487
Capital Outlay	64,707	15,294	-	80,001
Total Operating Expenditures	<u>4,263,058</u>	<u>613,765</u>	<u>38,220</u>	<u>4,915,043</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	169,070	-	-	169,070
<u>Fund Balance - Beginning of the Year</u>	<u>5,423,060</u>	<u>-</u>	<u>-</u>	<u>5,423,060</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 5,592,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,592,130</u>

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

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

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

Net change in fund balances - total governmental funds		\$	169,070
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.			
Expenditures for capital assets			64,307
Less current year depreciation			(124,816)
			(60,509)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.			
			(120,565)
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.			
			76,464
			76,464
Changes in net position of governmental activities		\$	64,460

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Fiduciary Net Position
December 31, 2019

ASSETS

Cash and Cash Equivalents

\$ 547,758

TOTAL ASSETS

547,758

LIABILITIES

Deposits Due Others

547,758

TOTAL LIABILITIES

\$ 547,758

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

Statement H

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Statement of Changes in Fiduciary Net Position
December 31, 2019**

<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 650,160
Collections	950,357
Disbursements	(1,052,759)
<u>BALANCE AT END OF YEAR</u>	<u>\$ 547,758</u>

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

INTRODUCTION

The Louisiana Constitution of 1974, Article V, Section 14 created the judicial districts of the State, among them the Fourth Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts and sets forth the duties of the office. Louisiana R.S. 16:1 establishes a District Attorney for each of the Judicial District Attorney's offices. The Fourth Judicial District Attorney exists and operates in accordance with the authorities cited.

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Fourth Judicial District encompasses the parishes of Morehouse and Ouachita and their offices are located in Bastrop and Monroe.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION The accompanying basic financial statements of the District Attorney of the Fourth Judicial District have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

The schedule of expenditures of federal awards includes the federal grant activity of the District Attorney and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Uniform Grant Guidance, Audits of State, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

B. REPORTING ENTITY The District Attorney is an independent elected official; however, the district attorney is fiscally dependent on the Morehouse and Ouachita Parish Police Juries. The police juries maintain and operate the parish courthouse in which the district attorney's office is located and provides funds for equipment and furniture of the district attorney's office.

For these reasons, the district attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity, inasmuch as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

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

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

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

Because the District Attorney is fiscally dependent on the police jury, the District Attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the 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.

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

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

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

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

Worthless Check Collection Fee - The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

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

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

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

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

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

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

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

Bond Forfeiture Fund - The Bond Forfeiture Fund was established for the allocation and disposition of bonds forfeited to the District Attorney's office. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

Victim Restitution - The District Attorney holds these funds in escrow for the Court. These funds arise from restitution payments to victims. None of these funds have drug related origins, and thus are not a part of the drug asset forfeiture fund. The District Attorney maintains these funds in escrow until the courts provide orders for their disposition or otherwise directed for victim restitution.

Check Collection Fund - The Check Collection fund is used as a depository for funds collected from payments made on worthless checks. The funds are disbursed to the related merchants upon collection.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

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

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

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

Fund Financial Statements (FFS)

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

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

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

Revenues

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

Grants are recorded when the District Attorney of the Fourth Judicial District is entitled to the funds. Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

E. BUDGETS The District Attorney uses the following budget practices:

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

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

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

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

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FUND FINANCIAL STATEMENTS)

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

I. CAPITAL ASSETS Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing capital assets.

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

J. COMPENSATED ABSENCES The District Attorney does not have a formal leave and sick policy. Employees working within the District Attorney's office are entitled to paid vacations, paid sick days and personal days off, depending on job classification, length of service and the applicable policies of Morehouse Parish Police Jury or Ouachita Parish Police Jury. Compensated Absences balances are monitored and paid by the applicable Parish Police Jury; therefore, no liability is established for the District Attorney.

K. RESTRICTED NET POSITION

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

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations other governments;
- Imposed by law through constitutional provisions or enabling legislation.

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

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS

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

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

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

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

Assigned: Fund balance that is constrained by the District Attorney's intent to be used for specific purposes

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

but are neither restricted nor committed. Intent should be expressed by the District Attorney.

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

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

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

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

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

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

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

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

but are neither restricted nor committed. Intent should be expressed by the District Attorney.

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

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

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

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

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

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

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

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY

Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following fund had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2019:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title IV-D	\$ 433,000	\$ 613,765	\$(180,765)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Interest Rate Risk: The District Attorney's policy does not address interest rate risk.

Credit Risk: The District Attorney's investments are in Certificates of Deposits which do not have credit ratings; however, the District Attorney's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$6,096,516 and the bank balance was \$5,984,130, which includes \$3,335,984 in certificate of deposits classified as investments.

These deposits are reported as follows: Statement A - cash and cash equivalents, \$2,212,774, Statement A investments \$3,335,984, Statement G - cash and cash equivalents \$547,758. Of the bank balance, \$1,750,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District Attorney's name. The District Attorney's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

NOTE 4 -RECEIVABLES

The following is a summary of receivables at December 31, 2019:

	General <u>Fund</u>	<u>Title IV-D</u>	Worthless Check <u>Collection</u>	<u>Total</u>
Fines, Fees and Bond Forfeitures	\$ 112,290	\$ -	\$ 389	\$ 112,679
Intergovernmental				
Federal	295,311	98,673	-	393,984
State	<u>7,943</u>	<u>-</u>	<u>-</u>	<u>7,943</u>
Total	<u>\$ 415,544</u>	<u>\$ 98,673</u>	<u>\$ 389</u>	<u>\$ 514,606</u>

The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables at December 31, 2019:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 49,375	\$ -
Title IV-D	-	48,986
Worthless Check Fee	<u>-</u>	<u>389</u>
Total	<u>\$ 49,375</u>	<u>\$ 49,375</u>

The purpose of the interfund payable from the Title IV-D fund was to cover current-year expenditures for the cost reimbursement program until the reimbursement request is received. The purpose of the interfund payable from the worthless check fund is to cover general operating expenditures for the District Attorney's office until the collection fee is received.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 695,861	\$ -	\$ -	\$ 695,861
Vehicles	<u>499,525</u>	<u>64,307</u>	<u>59,280</u>	<u>504,552</u>
Total	<u>1,195,386</u>	<u>64,307</u>	<u>59,280</u>	<u>1,200,413</u>
Less Accumulated Depreciation				
Furniture & Fixtures	555,992	78,600	-	\$ 634,592
Vehicles	<u>384,692</u>	<u>46,216</u>	<u>(59,280)</u>	<u>371,628</u>
Total	<u>940,684</u>	<u>124,816</u>	<u>(59,280)</u>	<u>1,006,220</u>
Capital Assets, Net	<u>\$ 254,702</u>	<u>\$(60,509)</u>	<u>\$ -</u>	<u>\$ 194,193</u>

Depreciation expense of \$124,816 was charged to the public safety and judicial prosecution function.

The District Attorney has an operating lease with the Ouachita Parish Police Jury for the rental of office space to operate the Title IV-D Program. The lease is renewed on an annual basis and the current year lease payments paid to the Police Jury totaled \$21,896.

NOTE 7 - PENSION PLAN

District Attorney's Retirement System of Louisiana (System)

Plan Description

The 4th Judicial District Attorney contributes to the District Attorneys' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of Louisiana R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. All persons who are district attorneys of the State of Louisiana or assistant district attorneys in any parish shall become members as a condition of their employment, provided in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys.

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

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

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

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

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

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

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

For the year ended December 31, 2019, the 4th Judicial District Attorney's total payroll for all employees was \$532,743. Total covered payroll was \$482,660. Covered payroll refers to all compensation paid by the 4th Judicial District Attorney to active employees covered by the Plan.

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2019, the actual employer contribution rate was 1.25% for January to June and 4.00% for July to December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 4th Judicial District Attorney's contributions to the System for the year ending December 31, 2019 were \$12,741. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the 4th Judicial District Attorney to the System monthly.

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

At December 31, 2019, the Employer reported a liability of \$261,970 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 4th Judicial District Attorney's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the 4th Judicial District Attorney's proportion was 0.814322%, which was an increase of 0.029433% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the 4th Judicial District Attorney recognized pension expense of \$142,880 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$22,315). Total pension expense for the 4th Judicial District Attorney for the year ended December 31, 2019 was \$120,565.

At December 31, 2019, the 4th Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,126	81,765
Changes in assumptions	119,317	8,640
Net difference between projected and actual earnings on pension plan	36,739	-
Changes in employer's proportion of beginning net pension liability	20,815	34,208
Differences between employer and proportionate share of contributions	792	1,116
Subsequent measurement contributions	9,756	-
Total	188,545	125,729

The \$1,774 reported as deferred outflows of resources related to pensions resulting from the 4th Judicial District Attorney contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2019.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

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

Year ended June 30,	
2020	32,520
2021	3,492
2022	7,557
2023	21,409
2024	(11,918)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019, are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense
Salary increases	5.50% (2.40% inflation, 3.10% merit)
Mortality rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
Expected remaining service lives	6 years
Cost of Living Adjustments	Only those previously granted

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

The long-term expected rate of return on pension plan investments was determined using 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 7.56% for the year ended June 30, 2019.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2019, were as follows:

Asset Class	Target Allocation	Rates of Return	
		Real	Nominal
Equities	48.42%	5.13%	
Fixed income	40.10%	1.65%	
Alternatives	10.99%	0.78%	
Real estate	0.49%	0.00%	
Totals	100%		5.07%
Inflation			2.49%
Expected arithmetic nominal return			7.56%

Discount Rate

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

Sensitivity of the 4th Judicial District Attorney's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the 4th Judicial District Attorney's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate:

	1.0% Decrease (5.50%)	Current Discount Rate (6.50%)	1.0% Increase (7.50%)
Employer's proportionate share of net pension liability	713,518	261,970	(122,577)

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2019. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

NOTE 8 - AGENCY FUNDS A summary of the changes in the District Attorney's agency funds is as follows:

	Balance at Beginning of <u>Year</u>	<u>Additions</u>	<u>Reductions</u>	Balance at End of <u>Year</u>
Asset Forfeiture Fund	\$ 462,711	\$ 456,344	\$ 548,063	\$ 370,992
Bond Forfeiture Fund	866	162,110	161,757	1,219
Victim Restitution Fund	123,183	89,547	88,537	124,193
Check Collection Fund	<u>63,400</u>	<u>242,356</u>	<u>254,402</u>	<u>51,354</u>
Total	<u>\$ 650,160</u>	<u>\$ 950,357</u>	<u>\$ 1,052,759</u>	<u>\$ 547,758</u>

Of the \$124,193 recorded for victim restitution fund, approximately \$121,000 is considered to be unreconciled as the District Attorney is unable to identify the individual payees because of the number of years that have elapsed.

NOTE 9 - LITIGATION AND CLAIMS

Litigation The District Attorney is involved in various legal actions and claims rising in the normal course of business. After taking into consideration the District Attorney's evaluation of such actions, it is of the opinion that their outcome will not materially affect the financial statements.

Grant Disallowances The District Attorney participates in a number of state and federally assisted programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 10 - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court funds, the Morehouse Parish Police Jury, the Ouachita Parish Police Jury, or directly by the State. Those expenditures are summarized as follows:

The Morehouse Parish Police Jury, the Ouachita Parish Police Jury and the state fund a majority portion of the attorneys and support staffs' salaries and benefits.

The Criminal Court Fund is controlled and expended jointly between the District Attorney and the Fourth Judicial Court. The District Attorney normally expends funds for transcripts, witness fees and expert witness fees; the balance is utilized by the Fourth Judicial Court.

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE PROGRAM The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Children and Family Services.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

For the year ended December 31, 2019, the District Attorney for the Fourth Judicial District expended \$613,766 for the program.

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

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

NOTE 12 - NEW GASB STANDARDS In fiscal year 2018, the District Attorney adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

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

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2019

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

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 3, 2020, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	Original	Final		
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	3,499,500	3,423,600	\$ 3,360,230	\$ (63,370)
Court Cost Fees	332,500	221,000	199,666	(21,334)
Interest Income	20,100	39,300	52,959	13,659
<u>Intergovernmental Revenue</u>				
Federal	362,875	362,875	467,433	104,558
State	131,200	131,200	116,579	(14,621)
Local	74,000	71,750	72,121	371
Drug Asset Forfeiture	50,000	90,000	143,302	53,302
Collection Fees	2,000	2,300	2,303	3
Other Revenues	7,000	7,000	17,535	10,535
Total Operating Revenues	<u>\$4,479,175</u>	<u>\$4,349,025</u>	<u>\$4,432,128</u>	<u>\$83,103</u>
<u>Operating Expenditures</u>				
<u>General Government</u>				
Personnel Services	2,249,250	2,652,119	2,663,922	(11,803)
Contractual Charges	1,187,500	1,145,510	1,093,896	51,614
Materials and Supplies	372,400	382,360	345,324	37,036
Other Charges	116,100	118,880	95,209	23,671
Capital Outlay	50,000	64,710	64,707	3
Total Expenditures	<u>3,975,250</u>	<u>4,363,579</u>	<u>4,263,058</u>	<u>100,521</u>
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	503,925	(14,554)	169,070	183,624
<u>Fund Balance - Beginning of the Year</u>	-	-	5,423,060	5,423,060
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 503,925</u>	<u>\$ (14,554)</u>	<u>\$ 5,592,130</u>	<u>\$ 5,606,684</u>

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
Special Revenue - Title IV-D
For the Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
<u>Operating Revenue</u>				
Intergovernmental Revenue				
Federal	\$ 565,000	\$ 597,000	\$ 613,765	\$ 16,765
Total Operating Revenues	565,000	597,000	613,765	16,765
<u>Operating Expenditures</u>				
General Government				
Personnel Services	260,000	293,000	491,520	(198,520)
Contractual Charges	140,000	140,000	69,807	70,193
Materials and Supplies	-	-	34,866	(34,866)
Capital Outlay	-	-	15,294	(15,294)
Other Charges	-	-	2,278	(2,278)
Total Expenditures	400,000	433,000	613,765	(180,765)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	165,000	164,000	-	(164,000)
<u>Fund Balance - Beginning of the Year</u>	-	-	-	-
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 165,000	\$ 164,000	\$ -	\$ (164,000)

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

Schedule III

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	1.11723%	\$ 60,180	\$655,193	9%	66.13%
2016	1.21539%	\$ 232,635	\$735,264	32%	62.11%
2017	0.90560%	\$ 244,259	\$511,630	48%	62.49%
2018	0.78489%	\$ 252,571	\$488,003	52%	63.94%
2019	0.81432%	\$ 261,970	\$478,823	55%	93.13%

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

Schedule IV

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Employer Contributions to Pension Plan
For the Year Ended December 31, 2019

<u>Fiscal Year</u>	<u>(a) Statutorily required contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution deficiency</u>	<u>Agency's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2015	\$ 40,740	\$ 40,740	\$ -	\$ 655,193	6.22%
2016	\$ 11,323	\$ 11,323	\$ -	\$ 735,264	1.54%
2017	\$ -	\$ -	\$ -	\$ 511,630	0.00%
2018	\$ 3,001	\$ 3,001	\$ -	\$ 488,003	0.61%
2019	\$ 12,741	\$ 12,741	\$ -	\$ 482,660	2.64%

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

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2019

A. BUDGETS

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

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

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

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

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

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

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

B. UNFAVORABLE BUDGET VARIANCE

Actual expenditures greater than budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title IV-D	\$ 433,000	\$ 613,765	\$(180,765)

SUPPLEMENTARY INFORMATION

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

AGENCY FUNDS
Combining Schedule of Fiduciary Assets and Liabilities
For the Year Ended December 31, 2019

	<u>Asset Forfeiture Agency Fund</u>	<u>Bond Forfeiture Agency Fund</u>	<u>Victim Restitution Agency Fund</u>	<u>Check Collection Agency Fund</u>	<u>Total</u>
Assets					
Cash and Cash Equivalents	\$ 370,992	\$ 1,219	\$ 124,193	\$ 51,354	\$ 547,758
TOTAL ASSETS	<u>370,992</u>	<u>1,219</u>	<u>124,193</u>	<u>51,354</u>	<u>547,758</u>
Liabilities					
Deposits Due Others	370,992	1,219	124,193	51,354	547,758
TOTAL LIABILITIES	<u>\$ 370,992</u>	<u>\$ 1,219</u>	<u>\$ 124,193</u>	<u>\$ 51,354</u>	<u>\$ 547,758</u>

District Attorney of the Fourth Judicial District
 Parishes of Ouachita and Morehouse, Louisiana

**Schedule of Compensation, Reimbursements, Benefits
 and Other Payments to Agency Head
 Political Subdivision Head, or Chief Executive Officer
 For the Year Ended December 31, 2019**

Agency Head: Robert S. Tew, District Attorney

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 195,000
Benefits - Insurance	10,729
Benefits - Retirement	5,117
Travel	6,600
Dues	1,860

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE

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

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 3, 2020.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. 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, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Hard, CPA (APSC)

West Monroe, Louisiana
June 3, 2020

**Independent Auditor's Report on Compliance For Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Report on Compliance for Each Major Federal Program

I have audited the District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney's major federal programs for the year ended December 31, 2019. The District Attorney's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the District Attorney's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 I considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In my 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 each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the District Attorney is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I 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, I 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Abert, CPA (APAC)

West Monroe, Louisiana
June 3, 2020

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>Federal CFDA#</u>	<u>Grantor/Pass Through#</u>	<u>Expenditures</u>
United States Department of Health and Human Services			
Passed Through Louisiana Department of Children & Family Services			
Title IV-D, Child Support Enforcement			
	93.563	2000203101	\$ 405,085
Total United States Department of Health and Humm Services			<u>405,085</u>
United States Department of Justice			
Passed Through Louisiana Commission on Law Enforcement & Administration of Criminal Justice			
Domestic Violence Prosecution			
	16.588	2017-WF-02-4822	52,094
Adolescent Diversion Program			
	16.540	2017-JF-22-4241	29,062
Adolescent Diversion Program			
	16.540	2018-JF-22-5130	5,859
Victim Assistance Program 2			
	16.575	2016-VA-02-3849	257,565
Total United States Department of Justice			<u>344,580</u>
United States Department of Transportation			
Passed Through Louisiana Department of Public Safety and Corrections- Louisiana Highway Safety Commission			
4th Judicial District DWI Court			
	20.616	2020-10-22	74,868
Total United States Department of Transportation			<u>70,736</u>
Total Federal Awards			<u>\$ 824,533</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the District Attorney of The Fourth Judicial District, (the "District Attorney") for the year ended December 31, 2019. The District Attorney reporting entity is defined in Note 1 to the District Attorney's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District Attorney, it is not intended to and does not present the financial position or change in net position of the District Attorney.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District Attorney's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the District Attorney's basic financial statements as follows:

	<u>Federal Sources</u>
Major Funds:	
General Fund	\$ 419,448
Title IV-D	<u>405,085</u>
	<u>\$824,533</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - DE MINIMIS INDIRECT COST RATE The District Attorney has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

PART I-SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed no findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program was:
Title IV-D, Child Support Enforcement CFDA #93.563
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance.

Part II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America

No findings were reported under this section.

Part III – Management Letter

No management letter was issued.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Status of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2019

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

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fourth Judicial District (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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

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

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

David M. Hartt, CPA (APPC)

West Monroe, Louisiana
June 3, 2020

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exceptions

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

Board or Finance Committee

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Bank Reconciliations

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Collections (excluding EFTs)

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

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

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

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

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

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Contracts

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

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.

Debt Service

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

Exceptions

This is not applicable for this entity.

Other

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

Exceptions

Except as otherwise stated, no exceptions were identified in the performance of the procedures listed above.