
**DISTRICT ATTORNEY OF THE FORTIETH
JUDICIAL DISTRICT**

ST. JOHN THE BAPTIST PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2020

DISTRICT ATTORNEY OF THE FORTIETH
JUDICIAL DISTRICT

ST. JOHN THE BAPTIST PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	
Independent Auditors' Report	1 - 3
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART I</u>	
Management's Discussion and Analysis	4 - 10
<u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Position	11
Statement of Activities	12
Governmental Funds - Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to Financial Statements	19 - 37

TABLE OF CONTENTS

	<u>Page</u>
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART II</u>	
General Fund Budgetary Comparison Schedule	38
Pre-Trial Intervention / Diversion Program Fund Budgetary Comparison Schedule	39
Title IV-D Program Fund Budgetary Comparison Schedule	40
Schedule of Proportionate Share of the Net Pension Liability	41
Schedule of Employer’s Contributions to Retirement Systems	42
Notes to Required Supplementary Information	43-44
<u>OTHER INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head	45
Justice System Funding Schedule – Collecting / Disbursing Entity as Required by Act 87 (Cash Basis Presentation)	46
Justice System Funding Schedule – Receiving Entity as Required by Act 87 (Cash Basis Presentation)	47
<u>OTHER REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i></u>	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48 - 49
Schedule of Findings and Responses	50
Summary Schedule of Prior Audit Findings	51



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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

The Honorable Bridget A. Dinvaut
District Attorney of the Fortieth
Judicial District
St. John the Baptist Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fortieth Judicial District for the Parish of St. John the Baptist (the “District Attorney”), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District Attorney’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the proportionate share of the net pension liability, and the employer's contributions to retirement systems schedules, and the notes to required supplementary information on pages 4 - 10, 38 - 40, 41, 42, and 43-44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head, the Judicial System Funding Schedule – Collecting / Disbursing Entity and the Judicial System Funding Schedule – Receiving Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Agency Head, the Judicial System Funding Schedule – Collecting / Disbursing Entity and the Judicial System Funding Schedule – Receiving Entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 28, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS **DECEMBER 31, 2020**

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

FINANCIAL HIGHLIGHTS

- The District Attorney's total net position decreased by approximately \$379,000.
- Expenses for the year were \$3,586,021, a decrease of approximately \$360,000, or 9% as compared to the prior year.
- The General Fund reported a deficiency in revenues under expenditures in the amount of \$262,124.

Such changes were primarily the result of COVID-19 restrictions standing in March 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

Government-wide Statements

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

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

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

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

- Governmental activities—most of the District Attorney's basic services are included here. Fines, court costs and fees, and state grants and reimbursements finance most of these activities.

Fund Financial Statements

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

The District Attorney has two types of funds:

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Governmental Activities

Net position. The District Attorney's combined net position decreased by approximately \$379,000 or 11% from the net position of the previous fiscal year. The decrease is the result of expenses exceeding revenues during the fiscal year ended December 31, 2020.

Table A-1
District Attorney's Net Position

	Governmental Activities	
	2020	2019
Cash and other current assets	\$ 3,652,285	\$ 3,962,035
Capital assets, net of depreciation	40,137	21,766
Total assets	<u>3,692,422</u>	<u>3,983,801</u>
Deferred outflows of resources:		
Deferred outflow amounts related to pension liability	765,386	924,713
Total assets and deferred outflows of resources	<u>4,457,808</u>	<u>4,908,514</u>
Account payable and other current liabilities	89,083	130,043
Net pension liability	778,280	1,079,147
Total liabilities	<u>867,363</u>	<u>1,209,190</u>
Deferred inflows of resources:		
Deferred inflow amounts related to pension liability	464,934	194,825
Total liabilities and deferred inflows of resources	<u>1,332,297</u>	<u>1,404,015</u>
Net position		
Net investment in capital assets	40,137	21,766
Restricted	63,153	69,819
Unrestricted	3,022,221	3,412,914
Total net position	<u>\$ 3,125,511</u>	<u>\$ 3,504,499</u>

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Changes in net position. The District Attorney's total revenues decreased by approximately \$255,000, or 7%, (See Table A-2) mainly due to reductions in court costs, fines and fees from reduced court activity and pretrial diversion fees from reduced judicial activity including the Local Area Compensated Enforcement Program (LACE). These reductions are a direct result of the Coronavirus Pandemic starting in March 2020. Expenses decreased \$360,000 for the same reasons noted for revenues, plus there was a reduction in personnel during the year. Expenses exceeded revenues by \$378,988 and \$483,457 during 2020 and 2019, respectively. The decrease in the change in net position from \$483,457 to \$378,988 is primarily due to an increase in intergovernmental revenues (on be-half payments and reimbursements), as well as decreases in expenses.

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

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 787,855	\$ 1,136,343
Grants and contributions	284,770	273,782
General revenues	2,134,408	2,052,342
Total revenues	<u>3,207,033</u>	<u>3,462,467</u>
Expenses		
Governmental activities	<u>3,586,021</u>	<u>3,945,924</u>
Change in net position	<u>\$ (378,988)</u>	<u>\$ (483,457)</u>
Total net position, beginning of year	<u>3,504,499</u>	<u>3,987,956</u>
Total net position, end of year	<u>\$ 3,125,511</u>	<u>\$ 3,504,499</u>

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of approximately \$3,563,000, a decrease of approximately \$269,000 from prior year, which was the amount by which expenditures exceeded revenues for all governmental funds.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

General Fund Budgetary Highlights

- Over the course of the year, the District Attorney amended its general fund budget to reflect changes in estimated revenues and personnel costs. An analysis of the original budgets compared to final amended general fund budget results is reflected in Table A-3:

Table A-3
Original and Final Amended Budget Comparison
General Fund

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Revenues	\$ 2,015,165	\$ 1,820,000	\$ (195,165)
Expenditures	(2,015,165)	(2,015,000)	165
Other financing uses	-	(230,000)	(230,000)
Change in fund balance	<u>\$ -</u>	<u>\$ (425,000)</u>	<u>\$ (425,000)</u>

- A comparison of the actual results to the final budget is reflected in Table A-4:

Table A-4
Final Budget Comparison
General Fund

	<u>Final Budget</u>	<u>Actual Results (Budgetary Basis)</u>	<u>Difference</u>
Revenues	\$ 1,820,000	\$ 1,913,086	\$ 93,086
Expenditures	(2,015,000)	(1,994,963)	20,037
Other financing uses	(230,000)	(180,247)	49,753
Change in fund balance	<u>\$ (425,000)</u>	<u>\$ (262,124)</u>	<u>\$ 162,876</u>

CAPITAL ASSETS

At the end of 2020, the District Attorney had invested \$40,137 in capital assets. (See Table A-5.)

Table A-5
District Attorney's Capital Assets
(net of accumulated depreciation)

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Furniture and equipment, net	\$ 40,137	\$ 21,766

The increase was due to the purchase of equipment during the year.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

When preparing the fund budgets for the 2021 fiscal year, the District Attorney expects an increase in the LACE and Pre-Trial Diversion program revenues, and payroll and program related expenditures primarily as a result of the relief of certain COVID-19 restrictions in 2021 and, as a result, the reopening of the Parish's court system. The District Attorney also expects an increase in General Fund revenues and related expenditures due to increased judicial system activity as compared to the 2020 fiscal year.

COVID-19 PANDEMIC

As described in Note 9 to the financial statements, the World Health Organization declared the outbreak of the coronavirus (COVID-19) in March 2020 as a global pandemic. The pandemic has negatively impacted the local and global economies. Locally, funding sources, vendors and employees are continued to be negatively impacted, all of which is still uncertain and cannot be predicted as to the extent and amount of time such negative impacts will be felt.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our 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 Bridget A. Dinvaut, District Attorney of the Fortieth Judicial District, Parish of St. John the Baptist, Post Office Box 399, LaPlace, LA 70068.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,390,780
Intergovernmental Receivables	252,855
Prepaid Expenses	8,650
Capital assets being depreciated, net	<u>40,137</u>
 TOTAL ASSETS	 <u>3,692,422</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to pension liability	<u>765,386</u>
<u>LIABILITIES</u>	
Accounts payable	36,433
Other liabilities	52,650
Long-term liabilities	
Net pension liability	<u>778,280</u>
 TOTAL LIABILITIES	 <u>867,363</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to pension liability	<u>464,934</u>
<u>NET POSITION</u>	
Net investment in capital assets	40,137
Restricted for grant program	63,153
Unrestricted	<u>3,022,221</u>
 TOTAL NET POSITION	 <u>\$ 3,125,511</u>

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
	<u>Charges for</u>	<u>Operating</u>	<u>Governmental</u>
<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Unit</u>
		<u>Contributions</u>	
<u>FUNCTIONS/PROGRAMS</u>			
Governmental activities:			
Judicial Activities	\$ 3,586,021	\$ 787,855	\$ 284,770
	<u> </u>	<u> </u>	<u> </u>
			\$ (2,513,396)
			<u> </u>
General Revenues:			
Intergovernmental revenues			2,005,798
Grants and contributions not restricted			109,117
Miscellaneous			19,493
			<u> </u>
Total general revenues			2,134,408
			<u> </u>
Change in net position			(378,988)
Net position, beginning of year			3,504,499
			<u> </u>
Net position, end of year			\$ 3,125,511
			<u> </u>

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2020

	<u>General Fund</u>	<u>Pre-Trial Diversion Fund</u>	<u>Title IV-D Incentives Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Assets:				
Cash and cash equivalents	\$ 2,031,529	\$ 1,359,251	\$ -	\$ 3,390,780
Due from other funds	1,298,683	-	22,375	1,321,058
Intergovernmental Receivables	209,504	-	43,351	252,855
Prepaid expenses	8,650	-	-	8,650
TOTAL ASSETS	<u>\$ 3,548,366</u>	<u>\$ 1,359,251</u>	<u>\$ 65,726</u>	<u>\$ 4,973,343</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 4,862	31,366	\$ 205	\$ 36,433
Payroll liabilities	43,455	6,827	2,368	52,650
Due to other funds	-	1,321,058	-	1,321,058
TOTAL LIABILITIES	<u>48,317</u>	<u>1,359,251</u>	<u>2,573</u>	<u>1,410,141</u>
Fund balances:				
Nonspendable	8,650	-	-	8,650
Restricted for Title IV-D	-	-	63,153	63,153
Unassigned	3,491,399	-	-	3,491,399
TOTAL FUND BALANCES	<u>3,500,049</u>	<u>-</u>	<u>63,153</u>	<u>3,563,202</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,548,366</u>	<u>\$ 1,359,251</u>	<u>\$ 65,726</u>	<u>\$ 4,973,343</u>

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

Total fund balances - Governmental Funds \$ 3,563,202

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

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

Cost of capital assets at December 31, 2020	\$ 342,911	
Less: accumulated depreciation as of December 31, 2020	<u>(302,774)</u>	40,137

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

Net pension liability		(778,280)
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A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. These deferrals reported on the Statement of Net Position consist of:

Deferred outflow of resources-related to net pension liability	\$ 765,386	
Deferred inflow of resources-related to net pension liability	<u>(464,934)</u>	<u>300,452</u>

Total Net Position for year ended December 31, 2020 \$ 3,125,511

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

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

	<u>General Fund</u>	<u>Pre-Trial Diversion Fund</u>	<u>Title IV-D Incentives Fund</u>	<u>Total</u>
<u>REVENUES</u>				
Court costs, fines and fees	\$ 308,502	\$ -	\$ -	\$ 308,502
Collection fees on worthless checks	2,732	-	-	2,732
Collection of forfeitures	52,976	-	-	52,976
Intergovernmental revenues:				
Grant - Louisiana Department of Social Services	-	-	254,770	254,770
Victim's Assistance Coordinator Fund	30,000	-	-	30,000
Pre-Trial Diversion Program	-	423,645	-	423,645
Reimbursements	2,005,798	-	-	2,005,798
Other	19,493	-	-	19,493
TOTAL REVENUES	<u>2,419,501</u>	<u>423,645</u>	<u>254,770</u>	<u>3,097,916</u>
<u>EXPENDITURES</u>				
Current:				
Judicial Activities				
Salaries, related taxes, and benefits	2,068,463	295,749	234,745	2,598,957
Local Area Compensated Enforcement Program (LACE)	-	224,648	-	224,648
Rent, utilities, and maintenance	190,813	19,759	18,785	229,357
Continuing education, auto, and travel	31,154	-	200	31,354
Office supplies	133,183	5,688	7,706	146,577
Insurance	42,065	-	-	42,065
Professional Services	20,217	2,700	-	22,917
Other	15,483	55,348	-	70,831
TOTAL EXPENDITURES	<u>2,501,378</u>	<u>603,892</u>	<u>261,436</u>	<u>3,366,706</u>
<u>EXCESS (DEFICIENCIES) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	<u>(81,877)</u>	<u>(180,247)</u>	<u>(6,666)</u>	<u>(268,790)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers in	-	180,247	-	180,247
Transfers out	<u>(180,247)</u>	<u>-</u>	<u>-</u>	<u>(180,247)</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>(262,124)</u>	<u>-</u>	<u>(6,666)</u>	<u>(268,790)</u>
Fund balances - beginning of year	<u>3,762,173</u>	<u>-</u>	<u>69,819</u>	<u>3,831,992</u>
Fund balances - end of year	<u>\$ 3,500,049</u>	<u>\$ -</u>	<u>\$ 63,153</u>	<u>\$ 3,563,202</u>

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

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

Net Change in fund balances - Governmental Funds \$ (268,790)

Amounts reported in the Statement of Activities are different due to:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and asset disposals exceed capital outlay in the current period

Capital outlay included in expenditures	37,352	
Depreciation expense for the year	<u>(18,981)</u>	18,371

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

Net effects of changes in net pension liability, deferred outflows and deferred inflows.		<u>(128,569)</u>
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Total Change in Net Position for year ended December 31, 2020 \$ (378,988)

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 76,630
TOTAL ASSETS	<u>76,630</u>
<u>LIABILITIES</u>	
	<u>-</u>
<u>NET POSITION</u>	
Restricted for Individuals, organizations and other governments	<u>76,630</u>
TOTAL NET ASSETS	<u><u>\$ 76,630</u></u>

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Resitution and check collection	\$ 12,277
Forfeitures	42,695
Adjudicated properties	14,002
Other	<u>6,604</u>
Total Additions	<u>75,578</u>
<u>DEDUCTIONS</u>	
Resitution and check collection	11,779
Forfeitures	14,534
Other	<u>5,299</u>
Total Deductions	<u>31,612</u>
Net increase in fiduciary net position	43,966
Net position - beginning, as restated	<u>32,664</u>
Net position - ending	<u><u>\$ 76,630</u></u>

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Fortieth Judicial District (District Attorney) has charge of every criminal prosecution by the State within his district, is the representative of the State before the grand jury in his district, is legal advisor to the grand jury, and performs other duties as provided by law and is elected by the qualified electors of the Judicial District for a term of six years. The Fortieth Judicial District encompasses the Parish of St. John The Baptist, Louisiana ("The Parish").

A. Basis of Presentation

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

B. Financial Reporting Entity

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

The District Attorney is an independently elected official and is not considered fiscally dependent of the St. John the Baptist Parish Council ("the Council"). As the governing authority of the Parish, for reporting purposes, the Council is the financial reporting entity for the Parish. The financial reporting entity consists of (a) the primary government (the Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Council 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 Council.
2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council and pose a financial benefit or burden to the Council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Reporting Entity (continued)

As the Council does not appoint the District Attorney, or have any control over the District Attorney, the District Attorney was determined not to be a component unit of the Council. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of the Parish.

C. Fund Accounting

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

Governmental Funds

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

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11 and accounts for the operations of the District Attorney's office. The statute provides that a percentage of the fines collected and bonds forfeited within the Judicial District be transmitted to the District Attorney to defray the necessary expenses of the District Attorney. The General Fund is always a major fund.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for a specific purpose. The Special Revenue Funds reported as major funds in the fund financial statements are as follows:

Pre-Trial Diversion Fund: This special revenue fund accounts for the collection of a fee paid by first-time offenders to the District Attorney, and expenditures made for the administration of this program.

Title IV-D Incentives Fund: This special revenue fund consists of incentive payments from the Louisiana Department of Social Services, as 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 program is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Fiduciary Type Funds – Custodial Funds

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

Adjudicated Properties Fund: This fund includes activity involving the sale of property that has been placed in the Parish's control due to failure to pay property taxes.

Asset Forfeitures Fund: This fund was established to receive the proceeds of assets forfeited and to pay the costs associated with such forfeitures.

Restitution – Hot Checks Fund: This fund was established to hold reimbursements for checks written with insufficient funds and disburse the funds to the original payees.

D. Basis of Accounting / Measurement Focus

Government Wide Financial Statements (GWFS)

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting / Measurement Focus (continued)

Government Wide Financial Statements (GWFS) (continued)

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

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

Fund Financial Statements (FFS)

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, and general long-term obligations principal and interest payments are recognized only when due or when a liability is incurred, regardless of the timing of related cash flows.

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

As required by the Louisiana Revised Statute (R.S.) 39:1303, the District Attorney adopted a budget for the General Fund and all special revenue funds. The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District Attorney prepares operating budgets for the general and special revenue funds at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except that it excludes on-behalf support which are non-cash transactions and no impact on the net change in fund balance.
5. The budgets may be revised during the year as estimates regarding revenues and expenditures change. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District Attorney.
6. Appropriations lapse at the end of each fiscal year.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are stated at cost, which approximates market value. The Louisiana Revised Statute (R.S.) 39:1225 provides that the amount of pledged securities shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except the portion of deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Receivables

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District Attorney maintains a capitalization threshold level of \$1,000 or more.

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

I. Compensated Absences

The District Attorney has the following vacation and sick leave policies:

Vacation Leave – annual leave shall be earned in accordance with the following criteria:

- Employees with less than 5 years of service shall earn a total of 84 hours per calendar year
- Employees with at least 5 years of service shall earn a total of 120 hours per calendar year
- Employees with at least 15 years of service shall earn a total of 168 hours per calendar year
- Employees with at least 20 years of service shall earn a total of 204 hours per calendar year
- Employees with at least 30 years of service shall earn a total of 240 hours per calendar year

Sick Leave – full-time employees each 84 hours of sick leave per year

Employees shall be permitted to carry over up to a maximum of 40 hours of earned annual and sick leave to the following calendar year. Upon retirement, resignation, or termination, an employee is compensated for their accumulated and unused vacation leave only (not accumulated sick leave), which was earned during the year. The District Attorney did not have material amount of accumulated vacation or sick leave benefits required to be reported as of the current fiscal year-end.

J. Pension Plans

The District Attorney is a participating employer in two defined benefit pension plans (plans) as described in Note 7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 7 for additional information on deferred outflows of resources related to defined benefit pension plans.

In addition to liabilities, the statement of net position sometimes reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. See Note 7 for additional information on deferred inflows of resources related to defined benefit pension plans.

L. Operating Transfers In and Out

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

M. Use of Estimates

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

N. Net Position

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

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Balance of Fund Financial Statements

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

Nonspendable – represent permanently nonspendable balances that are not expected to be converted to cash.

Spendable

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

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Attorney.

Assigned – represents balances where informal constraints have been established by the District Attorney, but are not restricted nor committed.

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

When both restricted and unrestricted resources are available for use, it is the District Attorney's intention to use restricted resources first, then committed, assigned and unassigned) as needed.

P. Recently Adopted Accounting Standards

In January 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement 84, Fiduciary Activities. The standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the District Attorney controls the assets in a fiduciary activity and (2) if there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The District Attorney has adopted GASB 84 and included the requirements of the standard, as applicable, in its December 31, 2020 financial statements. Refer to the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position in the basic financial statements. Beginning net position was increased by \$32,664 as a result of applying the new standards' criteria for accruing liabilities and net position within a custodial fund.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Current Accounting Standards Scheduled to be Implemented

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

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

2. CASH AND CASH EQUIVALENTS

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. The District Attorney does not have a deposit policy for custodial credit risk; however, state law is designed to limit this risk. State law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2020, the District Attorney's bank balance of demand deposit accounts was \$3,390,780 was fully collateralized or FDIC insured and therefore not exposed to custodial credit risk.

3. ACCOUNTS RECEIVABLE

Accounts receivable totaled \$252,855 at December 31, 2020, which includes fines and forfeitures and intergovernmental reimbursements.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance</u> <u>January 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2020</u>
Cost of capital assets				
Furniture and equipment	\$ 305,559	\$ 37,352	\$ -	\$ 342,911
Total accumulated depreciation	<u>(283,793)</u>	<u>(18,981)</u>	<u>-</u>	<u>(302,774)</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 21,766</u>	<u>\$ 18,371</u>	<u>\$ -</u>	<u>\$ 40,137</u>

Depreciation expense for the year ended December 31, 2020 was \$18,981.

5. LEASES

The District Attorney entered into operating leases for buildings, postage machines, and copier machines. The total minimum annual commitments under all operating leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2021	\$ 93,572
2022	80,400
2023	80,400
Total	<u>\$ 254,372</u>

6. TITLE IV-D PROGRAM

During the year, the District Attorney participated in the Title IV-D program administered by the State of Louisiana Department of Social Services, Office of Family Support. This program is funded by indirect assistance payments in the form of reimbursements of certain approved expenditures. The funds are received from the Louisiana Department of Social Services. For the year ended December 31, 2020, the District Attorney received reimbursements on expenditures totaling \$254,770.

The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis. These 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 expenditures that may be disallowed as a result of a review or audit by the federal grantor agency.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Parochial Employees' Retirement System of Louisiana (PERSLA) and the District Attorneys' Retirement System (DARS) (hereinafter referred to cumulatively as Plans or Systems). Both plans are cost-sharing multiple-employer, defined benefit pension plans administered by a separate board of trustees.

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

PERSLA:	DARS:
7905 Wrenwood Blvd.	2525 Quail Drive.
Baton Rouge, Louisiana 70809	Baton Rouge, LA 70808
(225) 928-1361	(225) 267-4824
www.persla.org	www.ladars.org

Plan Descriptions:

Parochial Employees' Retirement System of Louisiana (PERSLA)

Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS). Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The District Attorney participates in Plan A.

PERS provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employments. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials (except coroners, justices of the peace, and parish presidents) may no longer join PERS.

District Attorneys' Retirement System (DARS)

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

All persons who are district attorneys of the State of Louisiana, assistance district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys Association (except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits) shall become members as a condition of their employment; provided, however that in the case of assistance district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

Funding Policy

PERSLA

Members of Plan A can retire providing they meet one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more of years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

Employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent (3%) of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

DARS

Members who join the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

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

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

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

Contributions

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

	<u>District Attorney</u>	<u>Employees</u>
DARS	4.00%	8.00%
PERSLA	12.25%	9.50%

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

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
DARS	\$ 23,729	\$ 16,003
PERSLA	118,705	115,584

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

The following schedule lists the District Attorney's proportionate share of the Net Pension Liability allocated by each of the pension plans as of the respective measurement dates for each plan. The District Attorney uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2020, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement dates along with the change compared to the immediately prior measurement date. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Measurement Date</u>	<u>Net Pension Liability at Measurement Date</u>	<u>Rate at Measurement Date</u>	<u>Increase (Decrease) to Prior Year Rate</u>
DARS	June 30, 2020	\$ 770,815	0.972917%	(0.07230%)
PERSLA	December 31, 2019	7,465	0.158582%	(0.00880%)
		<u>\$ 778,280</u>		

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

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

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

	<u>Pension Expense</u>
DARS	\$ 224,005
PERSLA	144,634
	<u>\$ 368,639</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,718	\$ (140,064)
Changes of assumptions	450,305	-
Net difference between projected and actual earnings on pension plan investments	124,963	(279,834)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	21,643	(44,474)
Difference in contributions	1,408	(562)
Employer contributions subsequent to the measurement date	130,349	-
Total	<u>\$ 765,386</u>	<u>\$ (464,934)</u>

The amount reported in the above table \$130,349 as a deferred outflow of resources relates to pension contributions made subsequent to the measurement date (\$11,644 for DARS and \$118,705 for PERS), which will be recognized as a reduction in net pension liability in the year ending December 31, 2021.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
DARS	\$ 534,803	\$ (108,728)
PERSLA	230,583	(356,206)
Total	<u>\$ 765,386</u>	<u>\$ (464,934)</u>

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

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

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

<u>Deferral Period</u>	<u>DARS</u>	<u>PERSLA</u>	<u>Total</u>
2021	\$ 85,482	\$ (51,905)	\$ 33,577
2022	90,340	(70,709)	19,631
2023	118,864	3,918	122,782
2024	67,680	(125,632)	(58,304)
2025	52,065	-	52,065
	<u>\$ 414,431</u>	<u>\$ (244,328)</u>	<u>\$ 170,103</u>

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

Actuarial Assumptions

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

	PERSLA	DARS
Valuation Date	December 31, 2019	June 30, 2020
Actuarial Cost Method	Plan A - Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining Service Lives	4 years	6 years
Investment Rate of Return	6.50% (6.50% Prior Year) net of investment expenses, including inflation	6.25% (6.50% Prior Year) net of Pension Plan investment expense, including inflation
Inflation Rate	2.40% per annum	2.30%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees using MP2018 scale for annuitant and beneficiary mortality For employees, Pub-2010 Public Retirement Plans Mortality Table for General Employees using MP2018 scale For disabled annuitants, Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees using MP2018 scale. (All 3 table rates are multiplied by 130% for males and 125% for females)	Pub-2010 Public Retirement Mortality Table for General Above-Median Employees with full generational projections using the MP2019 scale. Pub-2010 Public Retirement Mortality Table for General Above-Median Retirees with full generational projections using the MP2019 scale. Pub-2010 Public Retirement Mortality Table for Disabled Retirees with full generational projections using the MP2019 scale. (All 3 table rates are multiplied by 115% for both make and females).
Salary Increases	Plan A – 4.75%	5.00%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	Only those previously granted.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

Actuarial Assumptions (continued)

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

PERSLA	DARS
<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return are developed for each major asset class. These rates 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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.50% for the year ended June 30, 2020.</p>

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

Asset Class	Long-Term Target Asset Allocation		Expected Portfolio Real Rate of Return	
	PERSLA	DARS	PERSLA	DARS
Equities	52.0%	48.27%	3.41%	5.54%
Fixed income	35.0%	24.54%	1.05%	1.09%
Alternatives	11.0%	26.77%	0.61%	1.87%
Real assets	2.0%	0.42%	0.11%	0.00%
Total	100.0%	100.0%	5.18%	6.11% (nominal)
Inflation			2.00%	2.39%
Expected Arithmetic Nominal Return			7.18%	8.50%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for PERSLA and DARS was 6.50% and 6.25%, for each Plan's measurement period year ended December 31, 2019, and June 30, 2020, respectively.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. DEFINED-BENEFIT PENSION PLANS (continued)

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
DARS			
Rates	5.25%	6.25%	7.25%
District Attorney’s Share of NPL	\$ 1,408,044	\$ 770,815	\$ 236,847
PERSLA			
Rates	5.50%	6.50%	7.50%
District Attorney’s Share of NPL	\$ 806,848	\$ 7,465	\$ (662,402)

Special Funding Situation

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

Louisiana Revised Statute 16:10 – 11 stipulates that certain salary amounts for District Attorneys (DAs) and Assistant District Attorneys (ADAs) are payable by the State of Louisiana (State). Further, the total employer contributions allocable to that portion of the respective DAs and ADAs salaries are paid directly to DARS by the State. The State’s proportional share of the collective net pension liability of DARS associated with the District Attorney is approximately \$613,000. This allocated share of the State’s net pension liability is not recognized in the District Attorney’s net pension liability. The State’s proportionate share of pension expense associated with the District Attorney is approximately \$178,200

Payables to the Pension Plans

At December 31, 2020, the District Attorney had payables to DARS and PERSLA totaling \$6,323 and \$46,320, respectively, at fiscal year-end for employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

8. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

The State of Louisiana and the Council pay a portion of the salaries and benefits of the District Attorney. The District Attorney is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and Parish Council. For the year ended December 31, 2020, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Codification Section N50, *Non-exchange Transactions*, as intergovernmental revenues and expenditures as follows:

On-Behalf Payments:

Salaries	\$ 480,241
Insurance	6,964
Pensions	<u>19,210</u>
Total	<u>\$ 506,415</u>

9. CONTINGENCIES

The District Attorney is not involved in any litigation at December 31, 2020 which could have a material effect on its financial statements.

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The COVID-19 pandemic has negatively impacted the local and global economy and created volatility and disruption of financial markets. The extent to which the COVID-19 pandemic may directly or indirectly impact the District Attorney's financial condition or results of operations cannot be reasonably estimated at this time.

10. RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Court costs, fines and fees	\$ 515,045	\$ 389,500	\$ 308,502	\$ (80,998)
Collection fees on worthless checks	2,300	2,000	2,732	732
Collection of forfeitures	27,500	27,500	52,976	25,476
Intergovernmental revenues				
Victim's Assistance Coordinator Fund	30,000	30,000	30,000	-
Reimbursements	1,440,320	1,371,000	1,499,383	128,383
Other	-	-	19,493	19,493
Total Revenues	<u>2,015,165</u>	<u>1,820,000</u>	<u>1,913,086</u>	<u>93,086</u>
<u>EXPENDITURES</u>				
Current:				
Judicial Activities:				
Salaries, related taxes, and benefits	1,306,185	1,306,185	1,562,048	(255,863)
Rent, utilities, and maintenance	164,880	164,715	190,813	(26,098)
Continuing education, auto, and travel	48,500	48,500	31,154	17,346
Office supplies	30,000	30,000	133,183	(103,183)
Insurance	290,000	290,000	42,065	247,935
Professional Services	37,500	37,500	20,217	17,283
Other	63,100	63,100	15,483	47,617
Capital Outlay	75,000	75,000	-	75,000
Total Expenditures	<u>2,015,165</u>	<u>2,015,000</u>	<u>1,994,963</u>	<u>20,037</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>-</u>	<u>(195,000)</u>	<u>(81,877)</u>	<u>113,123</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in/(out)	<u>-</u>	<u>(230,000)</u>	<u>(180,247)</u>	<u>49,753</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>-</u>	<u>(425,000)</u>	<u>(262,124)</u>	<u>162,876</u>
<u>FUND BALANCE</u>				
Beginning of year	3,556,263	3,762,173	3,762,173	-
End of year	<u>\$ 3,556,263</u>	<u>\$ 3,337,173</u>	<u>\$ 3,500,049</u>	<u>\$ 162,876</u>

Notes to Schedule:

Budget to Actual Reconciliation - Budgets are prepared on a budgetary basis which does not recognize the non-cash affects of intergovernmental support paid on behalf of the District Attorney. A reconciliation of the budgetary basis revenue and expenditures is presented below:

	<u>Intergovernmental revenue- Reimbursements</u>	<u>Salaries, related taxes, and benefits</u>
GAAP basis	\$ 2,005,798	\$ 2,068,463
Back out: On-behalf payments recognized	(506,415)	(506,415)
Budgetary basis	<u>\$ 1,499,383</u>	<u>\$ 1,562,048</u>

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

PRE-TRIAL INTERVENTION /DIVERSION PROGRAM FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental revenues				
Pre-Trial Diversion Program	\$ 690,830	\$ 415,000	\$ 423,645	\$ 8,645
Total Revenues	<u>690,830</u>	<u>415,000</u>	<u>423,645</u>	<u>8,645</u>
<u>EXPENDITURES</u>				
Current:				
Judicial Activities:				
Salaries, related taxes, and benefits	327,525	327,525	295,749	31,776
Local Area Compensated Enforcement Program (LACE)	220,000	182,170	224,648	(42,478)
Rent, utilities, and maintenance	26,280	26,280	19,759	6,521
Continuing education, auto, and travel	3,300	3,300	-	3,300
Office supplies	10,000	10,000	5,688	4,312
Insurance	500	500	-	500
Professional Services	6,600	6,600	2,700	3,900
Other	96,625	88,625	55,348	33,277
Capital Outlay	-	-	-	-
Total Expenditures	<u>690,830</u>	<u>645,000</u>	<u>603,892</u>	<u>41,108</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
	<u>-</u>	<u>(230,000)</u>	<u>(180,247)</u>	<u>49,753</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in/(out)	-	230,000	180,247	(49,753)
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>35,476</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 35,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

TITLE IV-D FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>REVENUES</u>				
Intergovernmental revenues				-
Grant - Louisiana Dept. of Social Services	\$ 272,720	\$ 230,000	\$ 254,770	\$ 24,770
Total Revenues	<u>272,720</u>	<u>230,000</u>	<u>254,770</u>	<u>24,770</u>
<u>EXPENDITURES</u>				
Current:				
Judicial Activities:				
Salaries, related taxes, and benefits	218,992	211,272	234,745	(23,473)
Rent, utilities, and maintenance	17,410	17,410	18,785	(1,375)
Continuing education, auto, and travel	1,650	1,650	200	1,450
Office supplies	1,504	1,504	7,706	(6,202)
Insurance	33,164	33,164	-	33,164
Total Expenditures	<u>272,720</u>	<u>265,000</u>	<u>261,436</u>	<u>3,564</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
	-	(35,000)	(6,666)	28,334
<u>OTHER FINANCING SOURCES</u>				
Transfers in/(out)	-	-	-	-
<u>NET CHANGE IN FUND BALANCE</u>				
	-	(35,000)	(6,666)	28,334
<u>FUND BALANCE</u>				
Beginning of year	95,002	69,819	69,819	-
End of year	<u>\$ 95,002</u>	<u>\$ 34,819</u>	<u>\$ 63,153</u>	<u>\$ 28,334</u>

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
District Attorneys' Retirement System (DARS)						
	2020	0.9729%	\$ 770,815	\$ 603,541	127.7154%	84.86%
	2019	1.0452%	336,250	614,577	54.7124%	93.10%
	2018	0.9529%	306,618	542,054	56.5660%	92.90%
	2017	0.9773%	263,610	593,929	44.3841%	93.60%
	2016	0.8823%	168,887	533,943	31.6302%	95.10%
	2015	1.2842%	69,172	485,623	14.2440%	62.70%
Parochial Employees' Retirement System of Louisiana (PERS)						
	2020	0.1586%	\$ 7,465	\$ 1,005,166	0.7427%	99.88%
	2019	0.1674%	742,897	1,028,990	72.1967%	1.13%
	2018	0.1535%	(113,910)	944,168	-12.0646%	98.10%
	2017	0.1292%	265,980	765,920	34.7269%	94.10%
	2016	0.1208%	317,996	644,277	49.3570%	92.20%
	2015	0.1226%	33,527	697,443	4.8071%	66.20%

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

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

DARS - June 30

PERS - December 31

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
District Attorneys' Retirement System (DARS)						
	2020	\$ 23,729	\$ 23,729	\$ -	\$ 593,227	4.0000%
	2019	16,003	16,003	-	614,577	2.6039%
	2018	3,736	3,736	-	601,092	0.6215%
	2017	-	-	-	531,970	0.0000%
	2016	10,667	10,667	-	304,774	3.5000%
	2015	23,866	23,866	-	455,519	5.2393%
Parochial Employees' Retirement System of Louisiana (PERS)						
	2020	\$ 118,705	\$ 118,705	\$ -	\$ 969,020	12.2500%
	2019	115,584	115,584	-	1,005,166	11.4990%
	2018	118,334	118,334	-	1,028,990	11.5000%
	2017	118,021	118,021	-	944,168	12.5000%
	2016	99,569	99,569	-	765,920	12.9999%
	2015	93,420	93,420	-	644,277	14.5000%

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

For reference only:

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

² *Actual employer contributions remitted to Retirement Systems*

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

CHANGES IN BENEFIT TERMS RELATED TO DEFINED PENSION PLANS

Parochial Employees' Retirement System of Louisiana Plan A

There were no changes of benefit terms for the years presented.

District Attorneys' Retirement System

There were no changes of benefit terms for the years presented.

CHANGES IN ASSUMPTIONS RELATED TO DEFINED PENSION PLANS

Parochial Employees' Retirement System of Louisiana Plan A

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:

Measurement			
Year End	date	Rate	Change
12/31/2020	12/31/2019	6.50%	0.00%
12/31/2019	12/31/2018	6.50%	-0.25%
12/31/2018	12/31/2017	6.75%	-0.25%
12/31/2017	12/31/2016	7.00%	0.00%
12/31/2016	12/31/2015	7.00%	-0.25%
12/31/2015	12/31/2014	7.25%	0.00%
12/31/2014	12/31/2013	7.25%	

Merit:

Measurement			
Year End	date	Rate	Change
12/31/2020	12/31/2019	2.35%	0.00%
12/31/2019	12/31/2018	2.35%	-0.40%
12/31/2018	12/31/2017	2.75%	0.00%
12/31/2017	12/31/2016	2.75%	0.00%
12/31/2016	12/31/2015	2.75%	0.00%
12/31/2015	12/31/2014	2.75%	0.25%
12/31/2014	12/31/2013	2.50%	

Inflation Rate:

Measurement			
Year End	date	Rate	Change
12/31/2020	12/31/2019	2.40%	0.00%
12/31/2019	12/31/2018	2.40%	-0.10%
12/31/2018	12/31/2017	2.50%	0.00%
12/31/2017	12/31/2016	2.50%	0.00%
12/31/2016	12/31/2015	2.50%	-0.50%
12/31/2015	12/31/2014	3.00%	-0.25%
12/31/2014	12/31/2013	3.25%	

Investment rate of return:

Measurement			
Year End	date	Rate	Change
12/31/2020	12/31/2019	6.50%	0.00%
12/31/2019	12/31/2018	6.50%	-0.25%
12/31/2018	12/31/2017	6.75%	-0.25%
12/31/2017	12/31/2016	7.00%	0.00%
12/31/2016	12/31/2015	7.00%	-0.25%
12/31/2015	12/31/2014	7.25%	0.00%
12/31/2014	12/31/2013	7.25%	

Salary Increases:

Measurement			
Year End	date	Rate	Change
12/31/2020	12/31/2019	4.75%	0.00%
12/31/2019	12/31/2018	4.75%	-0.50%
12/31/2018	12/31/2017	5.25%	0.00%
12/31/2017	12/31/2016	5.25%	0.00%
12/31/2016	12/31/2015	5.25%	-0.50%
12/31/2015	12/31/2014	5.75%	0.00%
12/31/2014	12/31/2013	5.75%	

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

CHANGES IN ASSUMPTIONS RELATED TO DEFINED PENSION PLANS (Continued)

District Attorneys' Retirement System

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:

Measurement			
Year End	date	Rate	Change
12/31/2020	6/30/2020	6.25%	-0.25%
12/31/2019	6/30/2019	6.50%	0.00%
12/31/2018	6/30/2018	6.50%	-0.25%
12/31/2017	6/30/2017	6.75%	-0.25%
12/31/2016	6/30/2016	7.00%	0.00%
12/31/2015	6/30/2015	7.00%	-0.25%
12/31/2014	6/30/2014	7.25%	

Merit:

Measurement			
Year End	date	Rate	Change
12/31/2020	6/30/2020	2.70%	-0.40%
12/31/2019	6/30/2019	3.10%	0.00%
12/31/2018	6/30/2018	3.10%	0.10%
12/31/2017	6/30/2017	3.00%	0.00%
12/31/2016	6/30/2016	3.00%	0.00%
12/31/2015	6/30/2015	3.00%	-0.50%
12/31/2014	6/30/2014	3.50%	

Inflation Rate:

Measurement			
Year End	date	Rate	Change
12/31/2020	6/30/2020	2.30%	-0.10%
12/31/2019	6/30/2019	2.40%	0.00%
12/31/2018	6/30/2018	2.40%	-0.10%
12/31/2017	6/30/2017	2.50%	0.00%
12/31/2016	6/30/2016	2.50%	0.00%
12/31/2015	6/30/2015	2.50%	-0.25%
12/31/2014	6/30/2014	2.75%	

Investment rate of return:

Measurement			
Year End	date	Rate	Change
12/31/2020	6/30/2020	6.25%	-0.25%
12/31/2019	6/30/2019	6.50%	0.00%
12/31/2018	6/30/2018	6.50%	-0.25%
12/31/2017	6/30/2017	6.75%	-0.25%
12/31/2016	6/30/2016	7.00%	0.00%
12/31/2015	6/30/2015	7.00%	-0.25%
12/31/2014	6/30/2014	7.25%	

Salary Increases:

Measurement			
Year End	date	Rate	Change
12/31/2020	6/30/2020	5.50%	0.00%
12/31/2019	6/30/2019	5.50%	0.00%
12/31/2018	6/30/2018	5.50%	0.00%
12/31/2017	6/30/2017	5.50%	0.00%
12/31/2016	6/30/2016	5.50%	0.00%
12/31/2015	6/30/2015	5.50%	-0.75%
12/31/2014	6/30/2014	6.25%	

OTHER INFORMATION

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

District Attorney Bridget Dinvault

Paid by office of the District Attorney:

Salary	\$	120,600
Benefits-Insurance		9,683
Retirement		4,824
Conference Travel		249
Cell Phone		840
		<hr/>

Total paid by Office of the District Attorney		<hr/> 136,196
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On-behalf payments for salaries benefits:

Salaries from the State of Louisiana	50,000
Salaries from St. John the Baptist Parish	10,000
Retirement from the State of Louisiana	2,126
Benefits from the State of Louisiana	1,038
Retirement from St. John the Baptist Parish	400
Benefits from St. John the Baptist Parish	93
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Total on-behalf payments		<hr/> 63,657
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Total	\$	<hr/> <hr/> 199,853
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DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	First Six Month Period Ended 06/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 32,664	\$ 39,167
Add: Collections		
Asset Forfeiture/Sale	4,314	48,070
Pre-Trial Diversion Program Fees	242,750	181,071
Criminal Fines - Other	-	-
Restitution	740	11,412
Other <i>(do not include collections that fit into more specific categories above)</i>	10,218	18,798
Subtotal Collections	258,022	259,351
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
LDAA - Asset Forfeiture/Sale	41	117
St. John Clerk of Court - Asset Forfeiture/Sale	250	1,600
St. John Sheriff - Asset Forfeiture/Sale	2,414	6,980
St. John Criminal Court Fund - Asset Forfeiture/Sale	805	2,327
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount		
Self-Disbursed - Asset Forfeiture/Sale	805	8,884
Self-Disbursed - Pre-Trial Diversion Program	242,750	181,071
Self-Disbursed - Other	3,714	4,696
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Restitution Payments to Individuals (additional detail is not required)	740	10,914
Other Disbursements to Individuals (additional detail is not required)	-	5,299
Subtotal Disbursements/Retainage	251,519	221,888
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 39,167	\$ 76,630
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

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

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

<i>St. John Parish Sheriff/ Criminal Court Costs/Fees</i>	\$ 178,490	\$ 132,495
<i>St. John Parish Sheriff/Bond Fees</i>	23,508	17,747
<i>St. John Parish Clerk of Court/ Criminal Court Costs/Fees</i>	550	650
Subtotal Receipts	\$ 202,548	\$ 150,892

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

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

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

The Honorable Bridget A. Dinvaux
District Attorney of the Fortieth
Judicial District
St. John the Baptist Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Fortieth Judicial District (the "District Attorney"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item #2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



District Attorney of the Fortieth Judicial District's Response to Findings

The District Attorney's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Postlethwaite & Netterville

Metairie, Louisiana
June 28, 2021

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

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

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the basic financial statements of the District Attorney of the 40th Judicial District of St. John the Baptist Parish.
2. A material weakness in internal controls over financial reporting was identified related to the audit of the financial statements as of December 31, 2020.
3. No instances of noncompliance material to the financial statements of the District Attorney of the Fortieth Judicial District of St. John the Baptist Parish were reported for the year ended December 31, 2020.

B. FINDINGS – FINANACIAL STATEMENT AUDIT

2020-001: Internal Control Over Financial Reporting of Receivables and Payables

Criteria: The definition of internal control over financial reporting includes ensuring that policies and procedures exist *that* pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the financial statements, which for the District Attorney, is that the financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

Condition: The District Attorney uses QuickBooks as the general ledger accounting system to account for general fund, two special revenue funds and a custodial fund. The accounting software is not being utilized such that the accounting for each fund is properly segregated. Further, the software is not utilized in a way that balances subsidiary ledgers of receivables, payables and inter-fund receivables and payables to the general ledger. During our audit, we noted that many accounts required adjustment and assistance was needed to prepare detailed list of receivables, accounts payable and the balancing of inter-fund receivables and payables.

Cause: The accounting software is not utilized in a way that segregates the activity and balances of each fund and provides for a balancing set of accounts within each fund. Further, the functionality of the software that maintains subsidiary lists of receivables and payables is not being used to its fullest capability.

Effect: The general ledger required significant adjustments for all funds to reflect proper account balances.

Recommendation: We recommend that the District Attorney initiate steps to redesign its general ledger chart of accounts to maintain a balancing set of accounts for the general fund, each special revenue fund, and the custodial funds. In addition, the accounting system should be utilized to maintain a detailed list of receivables and payables, including inter-fund receivables and payables, for each fund.

View of Responsible

Official: We agree with the finding and will adhere to the recommendation. First steps have already been taken to remedy the condition. We anticipate completely implementing the recommendation by September 30, 2021.

C. COMPLIANCE WITH STATE LAWS AND REGULATIONS

None.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None

B. COMPLIANCE WITH STATE LAWS AND REGULATIONS

None