

**District Attorney of the Forty-Second Judicial District**  
**Financial Statements With Auditor's Report**  
**As of and for the Year Ended December 31, 2019**

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Required Supplementary Information</b> Management's Discussion and Analysis	3 – 7
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet of the Governmental Funds To the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to the Financial Statements	14 – 38
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund	39
Budgetary Comparison Schedule – Pre-Trial Intervention/Diversion Program Fund	40
Note to Required Supplementary Information	41
Schedule of Proportionate Share of Net Pension Liability (Asset)	42
Schedule of Contributions	43
<b>Other Supplementary Information</b>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	44
<b>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></b>	45 – 46
<b>Schedules For Louisiana Legislative Auditor</b>	
Summary Schedule of Prior Year Audit Findings	47
Current Year Audit Findings	47 – 48

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## Independent Auditors' Report

Honorable Gary Evans  
District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Forty-Second Judicial District, a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney of the Forty-Second Judicial District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 and each major fund of the District Attorney of

the Forty-Second Judicial District, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 – 7, the budgetary comparison information on pages 39 – 41, the Schedule of Proportionate Share of Net Pension Liability on page 42 and the Schedule of Contributions on page 43 be presented to supplement the basic financial statements. Such information, although not 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 general 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

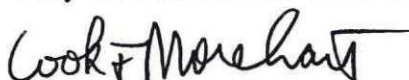
#### *Other Information*

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 other supplementary information Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management. Section I of that schedule was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section I of the schedule 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, Section I of the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 44 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2021 on our consideration of the District Attorney of the Forty-Second Judicial District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing 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 of the Forty-Second Judicial District'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 of the Forty-Second Judicial District's internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
January 4, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the District Attorney of the Forty-Second Judicial District's (District Attorney) financial performance provides an overview of the District Attorney's financial activities for the fiscal year ended December 31, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read it in conjunction with the District Attorney's financial statements, which begin on page 8.

### FINANCIAL HIGHLIGHTS

The District Attorney's net position decreased by (\$418,033) or 45.5%.

The District Attorney's total general and program revenues were \$2,125,311 in 2019 compared to \$2,190,478 in 2018.

During the year ended December 31, 2019, the District Attorney had total expenses, excluding depreciation of \$2,538,487, compared to total expenses, excluding depreciation and of \$2,275,367 for the year ended December 31, 2018.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 8 and 9) provide information about the activities of the District Attorney of the Forty-Second Judicial District as a whole and present a longer-term view of the District Attorney's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District Attorney's operations in more detail than the government-wide statements by providing information about the District Attorney's most significant funds.

The District Attorney of the Forty-Second Judicial District was determined to be a component unit of the Bossier Parish Police Jury. The District Attorney is fiscally dependent on the Police Jury for space and related costs. The accompanying financial statements present information only on the funds maintained by the District Attorney of the Forty-Second Judicial District.

### Reporting the District Attorney of the Forty-Second Judicial District as a Whole

Our analysis of the District Attorney of the Forty-Second Judicial District as a whole begins on page 8. One of the most important questions asked about the District Attorney's finances is "Is the District Attorney as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the District Attorney of the Forty-Second Judicial District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual *basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District Attorney's *net position* and changes in it. You can think of the District Attorney's net position – the difference between assets and liabilities – as one way to measure the District Attorney's financial health, or *financial position*. Over time, *increases* or *decreases* in the District Attorney's net position is one indicator of whether its *financial health* is

improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District Attorney.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the District Attorney as governmental activities.

Governmental activities – all of the expenses paid from the funds maintained by the District Attorney are reported here which consists primarily of personal services, materials and supplies, travel, repairs and maintenance and other program services. Fines and fees, state and federal grants and gaming tax revenue finance most of these activities.

### **Reporting the District Attorney’s Most Significant Funds**

Our analysis of the major funds maintained by the District Attorney of the Forty–Second Judicial District begins on page 10. The fund financial statements begin on page 10 and provide detailed information about the most significant funds maintained by the District Attorney – not the District Attorney as a whole. The District Attorney of the Forty–Second Judicial District’s *governmental funds* use the following accounting approaches:

Governmental funds – All of the District Attorney’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney’s programs. Because this information does not encompass the additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationships between the two types of financial statements.

**THE DISTRICT ATTORNEY OF THE FORTY-SECOND JUDICIAL DISTRICT AS A WHOLE**

The District Attorney of the Forty-Second Judicial District's total net position changed from a year ago, decreasing from \$917,895 to \$499,862.

**Table 1  
Net Position**

	Governmental Activities	
	2019	2018
Current and other assets	\$ 646,229	\$ 1,053,394
Capital assets	33,527	38,384
Net pension asset		31,710
Total assets	<u>679,756</u>	<u>1,123,488</u>
Deferred outflows of resources	198,040	136,813
Current liabilities	87,652	121,098
Long-term liabilities	214,776	123,426
Total liabilities	<u>302,428</u>	<u>244,524</u>
Deferred inflows of resources	75,506	97,882
Net position:		
Investment in capital assets	33,527	38,384
Restricted for diversion programs	263,155	
Unrestricted	203,180	879,511
Total net position	<u>\$ 499,862</u>	<u>\$ 917,895</u>

Net position of the District Attorney's governmental activities decreased by (\$418,033) or 45.5% for the year ended December 31, 2019, compared to a decrease of (\$91,961) for the year ended December 31, 2018. Unrestricted net position, the part of net position that can be used to finance District Attorney expenses without constraints or other legal requirements, decreased from a year ago, decreasing to \$203,180 at December 31, 2019 from \$879,511 at December 31, 2018.

**Table 2**  
**Change in Net Position**

	Governmental Activities	
	2019	2018
Revenues		
Program Revenues		
Charges for services	\$ 1,012,724	\$ 1,167,362
Operating grants and contributions	1,100,214	1,020,457
General Revenues		
Interest earnings	583	2,659
Miscellaneous	11,790	
Total revenues	2,125,311	2,190,478
Expenses		
Personnel services	1,624,072	1,372,850
Other costs to deliver governmental programs	919,272	909,589
Total expenses	2,543,344	2,282,439
Increase (decrease) in net position	<u>\$ (418,033)</u>	<u>\$ (91,961)</u>

Total revenues decreased (\$65,167) from total revenues in the year ended December 31, 2018 of \$2,190,478 to total revenues of \$2,125,311 in the year ended December 31, 2019.

#### **THE DISTRICT ATTORNEY'S FUNDS**

As the District Attorney completed the year ended December 31, 2019, its governmental funds (as presented in the balance sheet on page 10) reported a *combined* fund balance of \$544,076, which is less than the previous year's fund balance of \$916,473.

#### **General Fund Budgetary Highlights**

The District Attorney adopted a budget for its General Fund for the year ended December 31, 2019. There was one amendment to the budget during the year. The District Attorney's budgetary comparison is presented as required supplementary information and shown on page 39.

The District Attorney's General Fund balance of \$280,921 reported on page 10 differs from the General Fund's *budgetary* fund balance of \$264,505 reported in the budgetary comparison schedule on page 39. This is primarily due to the District Attorney budgeting on the cash basis of accounting.



## CAPITAL ASSETS

At the end of December 31, 2019, the District Attorney had invested \$33,527 in capital assets, compared to \$38,384 at December 31, 2018. (see table 3 below)

**Table 3**  
**Capital Assets at Year End**  
**(Net Depreciation)**

	Governmental Activities	
	2019	2018
Land	\$ 7,875	\$ 7,875
Buildings and building improvements	60,165	60,165
Vehicles	12,816	12,816
Equipment, furniture and fixtures	76,683	76,683
Total assets at cost	<u>157,539</u>	<u>157,539</u>
Less: accumulated depreciation	(124,012)	(119,155)
Total capital assets	<u>\$ 33,527</u>	<u>\$ 38,384</u>

More detailed information about the capital assets is presented in Note 6 to the financial statements.

## DEBT ADMINISTRATION

Long-term liabilities of the District Attorney are summarized as follows:

	Governmental Activities	
	2019	2018
Net pension liability	<u>\$ 214,776</u>	<u>\$ 123,426</u>

More detailed information about the Net pension liability is presented in Notes 4 and 5 to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The District Attorney's management considered many factors when setting a fiscal year December 31, 2020 budget. Amounts available for appropriations in 2020 are expected remain substantially the same as 2019.

## CONTACTING THE DISTRICT ATTORNEY OF THE FORTY-SECOND JUDICIAL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the District Attorney of the Forty-Second Judicial District and to show the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Honorable Gary Evans, District Attorney, 206 Adams Street, Mansfield, LA 71052.

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

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 579,594
Receivables	52,134
Prepays	14,501
Capital assets	
Depreciable (net)	25,652
Non-depreciable	7,875
Total assets	679,756
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	198,040
 <b>LIABILITIES</b>	
Accounts payable	64,377
Accrued liabilities	23,275
Long-term liabilities	
Due in more than one year	214,776
Total liabilities	302,428
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	75,506
 <b>Net Position</b>	
Investment in capital assets	33,527
Restricted for diversion programs	263,155
Unrestricted	203,180
Total net position	\$ 499,862

The accompanying notes are an integral part of the financial statements.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2019

		Program Revenues		Net(Expense) Revenue and Changes in Net Position
<u>FUNCTIONS/PROGRAMS</u>	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public Safety and Judicial Prosecution	\$ 2,543,344	\$ 1,012,724	\$ 1,100,214	\$ (430,406)
Total governmental activities	2,543,344	1,012,724	1,100,214	(430,406)
General Revenues:				
Other				11,790
Interest income				583
Total general revenues				12,373
Change in net position				(418,033)
Net position, beginning of year				917,895
Net position, end of year				\$ 499,862

The accompanying notes are an integral part of the financial statements.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Balance Sheet  
Governmental Funds  
December 31, 2019

	<u>General</u>	<u>Pre-Trial Intervention/Diversion Programs</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 220,314	\$ 359,280	\$ 579,594
Receivables	52,134		52,134
Due from other funds	44,191		44,191
Total assets	<u>\$ 316,639</u>	<u>\$ 359,280</u>	<u>\$ 675,919</u>
<b>Liabilities</b>			
Accounts payable	\$ 14,812	\$ 49,565	\$ 64,377
Due to other funds		44,191	44,191
Accrued liabilities	20,906	2,369	23,275
Total liabilities	<u>35,718</u>	<u>96,125</u>	<u>131,843</u>
<b>Fund balances</b>			
Restricted		263,155	263,155
Unassigned	280,921		280,921
Total fund balances	<u>280,921</u>	<u>263,155</u>	<u>544,076</u>
Total liabilities and fund balances	<u>\$ 316,639</u>	<u>\$ 359,280</u>	<u>\$ 675,919</u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position  
December 31, 2019

Fund balances - total governmental funds		\$ 544,076
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		33,527
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 the funds.		14,501
Other long-term amounts are not available to pay for current -period expenditures and therefore are not available in the funds:		
Deferred outflows of resources - pension related		198,040
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Net pension liability	(214,776)	
Deferred inflows of resources - pension related	<u>(75,506)</u>	<u>(290,282)</u>
Net position of governmental activities		<u>\$ 499,862</u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019

Revenues:	General	Pre-Trial Intervention/Diversion Programs	Total Governmental Funds
Fees, fines and charges for services	\$ 178,509	\$ 834,215	\$ 1,012,724
Intergovernmental revenues			
DeSoto Parish Police Jury on behalf payments	546,330		546,330
State of Louisiana on behalf payments	239,372		239,372
State of Louisiana Title IV-D Program	239,255		239,255
State of Louisiana Victim Assistance	30,000		30,000
Other income	11,790		11,790
Interest income	340	243	583
Total revenues	<u>1,245,596</u>	<u>834,458</u>	<u>2,080,054</u>
Expenditures:			
General government:			
Personnel services	1,465,019	74,339	1,539,358
Travel	15,386		15,386
Local Area Compensated Enforcement Program (LACE)		518,281	518,281
Operating services	162,561	134,431	296,992
Supplies	4,366	5,517	9,883
Professional services	72,551		72,551
Total expenditures	<u>1,719,883</u>	<u>732,568</u>	<u>2,452,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(474,287)</u>	<u>101,890</u>	<u>(372,397)</u>
Other financing sources (uses):			
Transfers in	500,000		500,000
Transfers (out)		(500,000)	(500,000)
Total other financing sources (uses)	<u>500,000</u>	<u>(500,000)</u>	<u></u>
Net change in fund balance	25,713	(398,110)	(372,397)
Fund balances - beginning of year	<u>255,208</u>	<u>661,265</u>	<u>916,473</u>
Fund balances - end of year	<u>\$ 280,921</u>	<u>\$ 263,155</u>	<u>\$ 544,076</u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	\$ (372,397)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</p>	(1,322)
<p>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 the governmental funds.</p>	
Pension expense	(84,714)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Non-employer contributions to cost-sharing pension plans	45,257
<p>Government 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 expense (\$4,857) exceeded capital outlays (\$0) in the current period.</p>	<u>(4,857)</u>
Change in net position of governmental activities	<u><u>\$ (418,033)</u></u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019

## Introduction

The Louisiana Constitution of 1974, Article V, Section 14 created the Judicial Districts of the State, among them the Forty-Second Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts and set forth the duties of the office. Louisiana Revised Statute 16:1 establishes a District Attorney for each of the Judicial District Attorney's offices. The Forty-Second Judicial District Attorney (District Attorney) exists and operates in accordance with the authorities cited.

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. The District Attorney also performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. DeSoto Parish comprises the Forty-Second Judicial District, and the Forty-Second Judicial District Attorney's office is located in Mansfield, Louisiana.

### (1) Summary of Significant Accounting Policies

The District Attorney's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The government-wide financial statements (GWFS) include the Statement of Net Position and the Statement of Activities. These statements report information on all of the governmental activities of the District Attorney.

#### A. Reporting Entity

The basic criterion for determining whether a governmental organization should be included in a primary government's basic financial statements is financial accountability. The financial reporting entity consists of the primary government, the DeSoto Parish Police Jury, (b) organizations for which the primary government is financial accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the DeSoto Parish Police Jury has (a) a fiscal responsibility to the District Attorney, and (b) the potential for the District Attorney to provide specific financial benefits to, or impose specific financial burdens on, the DeSoto Parish Police Jury, the District Attorney was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the DeSoto Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The District Attorney is an independently elected official; however, the District Attorney is fiscally dependent on the DeSoto Parish Police Jury. The police jury maintains and operates the parish courthouse and the office building in which the district attorney's office is located and provides funds for other expenses of the district attorney's office, as necessary. In addition, the police jury's financial statements would be incomplete or misleading without inclusion of the district attorney. For these reasons, the District Attorney was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity.

(Continued)



District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

**B. Basic Financial Statements – Government-Wide Statements**

The District Attorney's basic financial statements include both government-wide (reporting the funds maintained by the District Attorney as a whole) and fund financial statements (reporting the District Attorney's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District Attorney's General Fund and Special Revenue Fund are classified as governmental activities. The District Attorney does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The District Attorney's net position is reported in three parts – investment in capital assets, restricted, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District Attorney's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District Attorney consist of fines and forfeitures, state and federal grants, check collection fees, nonemployer contributions to cost-sharing pension plan, and state appropriation revenues. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities.

**C. Basic Financial Statements – Fund Financial Statements**

The District Attorney organizes its accounts on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The District Attorney uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Funds of the District Attorney are classified as governmental funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the District Attorney include:

**Governmental Fund Type**

General Fund

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenses of that office. Louisiana Revised Statute 16:16, which became effective August 30, 1986, provides that a court cost of \$10.00 be collected to defray expenses of the District Attorney, in addition to all other fines, costs or forfeitures lawfully imposed. Louisiana Revised Statute 16:16.1, which became effective in 1997, provides that an additional court cost of \$10.00 be collected to defray expenses of the District Attorney, in addition to all other fines, costs or forfeitures lawfully imposed.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

As of September 1, 1994, the Louisiana Revised Statute 15:571.11 provided that all judgements of bond forfeiture will be paid to the District Attorney. The District Attorney will distribute these funds, thirty percent (30%) of which the District attorney will retain, to be used in the general operating account.

As of August 15, 2003, the Louisiana Revised Statute 15:85.1 provided for a \$15.00 fee to be assessed in connection with every criminal bond posted within each parish. Of this \$15.00 fee, the District Attorney receives \$7.00.

As of June 22, 1993, the Louisiana Revised Statute 22.1065.1 provided that there shall be a premium on all commercial surety underwriters who write criminal bail bonds in the State of Louisiana. The District Attorney receives twenty-five percent (25%) of the amounts collected, to be used in the general operating account.

As of August 15, 2003, the Louisiana Revised Statute 32:57.2 provided that each person seeking renewal or reissuance of a suspended driver's license pay an additional fee of \$25.00 to the office of the prosecuting authority for purposes of defraying the administrative cost for renewal or reissuance of the suspended driver's license.

The District Attorney also has the following programs, which are included in the General Fund:

Title IV-D

Title IV-D consists of reimbursement grants from the Louisiana Department of Social Services authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the 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.

Hot Checks

Hot Checks consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures for this program are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney, but may not be used to supplement the salary of the district attorney himself.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purpose. The Special Revenue Fund reported as a major fund in the fund financial statements is the Pre-Trial Intervention/Diversion Fund. The Pre-Trial Intervention/Diversion 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.

D. Basis of Accounting

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

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

Program Revenues – Program revenues included in the Statement of Activities are derived directly from parties outside the District attorney’s taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the District Attorney’s general revenues.

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgement of Forfeiture is received. Court costs and fees provided for in Louisiana Statutes are recorded when received in cash. Collection fees for worthless checks are recorded when received in cash, as are the collection fees for the prosecution of unemployment insurance and food stamp fraud cases. Investment earnings are recorded when earned since they are measurable and available.

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

Fund Financial Statements – 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., revenue and other financing 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 liabilities. “Available” means collectible within the current period or within 60 days after year end. Commissions on fines and bonds forfeitures are reported in the year they are collected by the tax collector. Grants and state appropriations are recorded when the District Attorney is entitled to the funds. 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 liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefits are reported in the period due and payable rather than the period earned by the employees, and general long-term obligations principal and interest payments are recognized only when due.

Operating transfers between funds – Transfers between funds that are not expected to be repaid accounted for as other financing sources (uses). These transactions are recorded as they occur. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts. Generally, these transfers are to pay operating costs of the District Attorney borne by one of the other of the District Attorney’s funds.

E. Capital Assets

All capital assets are capitalized at historical cost, or estimated historical cost for assets where the actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$2,500 or greater for capitalizing capital assets.

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

Capital assets are recorded in the government-wide financial statements but are not recorded in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 10 to 40 years for buildings and improvements and 5 to 10 years for moveable property.

F. Budgets

The District Attorney's budgetary process is governed by the Louisiana Budget Act in Louisiana Revised Statute 39:1308. The District Attorney normally utilizes the following budgetary practices:

1. The District Attorney prepares an operating budget for the general and special revenue funds.
2. The budget is made available for public inspection prior to the public hearing held to obtain taxpayer comment.
3. The budget is adopted at the public hearing.
4. The budget is adopted on a cash basis of accounting.
5. The budget may be revised during the year.
6. Appropriations lapse at the end of each fiscal year.

Once the budgets are approved, they can only be amended by the District Attorney. The District Attorney's administrator is authorized to make minor changes within line items. All budget appropriations lapse at year-end. The expenses of the District Attorney's office paid directly by the State of Louisiana and the DeSoto Parish Police Jury are not included in the budgets.

There was one budget amendment for the year ended December 31, 2019.

G. Cash, Cash Equivalents, and Investments

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

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

I. Compensated Absences

Full-time employees of the District Attorney's office earn ten days of vacation and sick leave each year. Leave does not carryover or accumulate from one year to the next, and there are no vesting privileges. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

J. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

K. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the District Attorney or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District Attorney's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the District Attorney (the District Attorney's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the District Attorney removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the District Attorney's intent to be used for specific purposes, but are neither restricted nor committed.

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

5. Unassigned - all amounts not included in other spendable classifications

The District Attorney's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as assigned fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

M. Long–Term Obligations

In the government-wide financial statements, long–term obligations are reported as liabilities in the applicable governmental activities in the Statement of Net Position.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District Attorney has deferred outflows of resources related to pensions reported in the government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element *deferred inflows of resources* reflects an increase in net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District Attorney has deferred inflows of resources related to pensions reported in the government-wide Statement of Net Position.

O. Future Accounting Pronouncements

In June 2017, GASB issued Statement No. 87 – Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District Attorney is currently assessing the impact of GASB 87 on the financial statements for the year ending December 31, 2021.

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

P. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

(2) Cash and Cash Equivalents

At December 31, 2019, the District Attorney had cash and cash equivalents (book balances) totaling \$579,594.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2019, \$332,642 of the District Attorney's bank balances of \$582,642 was exposed to custodial credit risk as uninsured deposits protected and collateralized with pledge securities held by the custodial bank's trust department not in the District Attorney's name.

(3) Interfund Balances

Interfund balances for the year ended December 31, 2019 consist of \$44,191 due from the Pre-Trial Intervention/Diversion Programs Fund to the General Fund. Advances by the General Fund were made for operating purposes.

(4) Pension Plan – District Attorney and Assistant District Attorneys

The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing multiple-employer plan administered by a separate board of trustees. The District Attorneys' Retirement System (System) was created on August 1, 1956 by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefit, are provided as specified in the plan.

**Plan Description**

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on the first Day of August, 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, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or 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, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age sixty.

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

(Continued)



District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

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

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$60 per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

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

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

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

#### **Employer Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 1.25%. For the period of July 1, 2019 through June 30, 2020, the actual employer contribution rate is 4.00%. The District Attorney contributions to the System for the years ended December 31, 2019, 2018, and 2017 were \$6,978, \$1,615, and \$0, respectively. Included in contributions for the year ended December 31, 2019 are contributions for the month of December 2019 totaling \$819, which were paid subsequent to December 31, 2019.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

**Non-Employer Contributions**

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions totaling \$41,778 are recognized as revenue during the year ended December 31, 2019 and excluded from pension expense.

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

At December 31, 2019, the District Attorney reported a liability of \$143,132 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on the employer's contributions to the System during the year ended June 30, 2019, as compared to the total of all employers' contributions to the System for the year ended June 30, 2019. At June 30, 2019, the District Attorney's proportion was .44492%, which was an increase of .061359% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$77,763, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$178.

At December 31, 2019, 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	\$ 615	\$ 44,674
Changes of assumptions	65,191	4,721
Net difference between projected and actual earnings on pension plan investments	20,073	
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,849	10,125
Employer contributions subsequent to the measurement Date	5,322	
Total	<u>\$ 107,050</u>	<u>\$ 59,520</u>

The District Attorney reported a total of \$5,322 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

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

<u>Year</u>	<u>Amount</u>
2020	\$ 13,090
2021	7,852
2022	10,073
2023	16,418
2024	(5,225)
Total	<u>\$ 42,208</u>

**Actuarial Methods and Assumptions**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of Pension Plan investment expense, including inflation
Projected Salary Increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality.  The RP2000 Disabled Lives Mortality Table (setback 5 years for males and set back 3 years for females) was selected for disable annuitants.
Expected Remaining Service Lives	6 years – June 30, 2019 6 years – June 30, 2018 7 years – June 30, 2017 7 years – June 30, 2016 6 years – June 30, 2015 6 years – June 30, 2014
Cost of Living Adjustments	Only those previously granted

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.56% for the year ended June 30, 2019.

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

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	48.42%	5.13%	
Fixed Income	40.10%	1.65%	
Alternatives	10.99%	0.78%	
Cash	<u>.49%</u>	0.00%	
System Total	<u>100.00%</u>		5.07%
Inflation			<u>2.49%</u>
Expected Arithmetic Nominal Return			<u>7.56%</u>

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

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

	<u>Changes in Discount Rate</u>		
	1% Decrease <u>5.50%</u>	Current Discount Rate <u>6.50%</u>	1% Increase <u>7.50%</u>
Net Pension Liability (Asset)	\$389,877	\$143,132	\$ (66,972)

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

**Change in Net Pension Liability**

The changes in the net pension liability for the year ended June 30, 2019 were recognized in the current reporting period as pension expense except as follows:

**Differences between Expected and Actual Experience:**

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**Differences between Projected and Actual Investment Earnings:**

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

**Changes of Assumptions or Other Inputs:**

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**Change in Proportion:**

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

**Contributions – Proportionate Share**

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

**Pension Plans Fiduciary Net Positions**

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated mounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to these reports can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

(5) Pension Plan – Other Employees

Substantially all employees of the District Attorney, except for the district attorney and his assistants, are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

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 System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

All employees of the District Attorney are members of Plan B.

**Plan Description**

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).

The System provides retirement benefits to employees of taxing District Attorneys 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.

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

**Eligibility Requirements:**

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 employment. 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 the Retirement System.

**Retirement Benefits:**

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

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

For 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.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to 2% 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.

Survivor Benefits:

Plan B members need ten (10) years of service to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for retirement, the Plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship of retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan (DROP) on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligation of the state or the system or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

to 2% of the member's final average compensation multiplied by his years of service, not to be less than 15, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

**Cost of Living Increases:**

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**Employer Contributions**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 7.01% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2019 was 7.50% for Plan B. The District Attorney's contributions to the System for the years ended December 31, 2019, and 2018 were \$21,537 and \$20,807, respectively.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions received by the System and attributable to the District Attorney for the years ended December 31, 2019 and 2018 were \$3,479 and \$3,200, respectively. Included in contributions for the year ended December 31, 2019 are contributions for the quarter October through December totaling \$5,754, which were paid subsequent to December 31, 2019.

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

At December 31, 2019, the District Attorney reported a liability of \$71,644 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the plan during the fiscal year ended December 31, 2018 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2018.

(Continued)



District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

At December 31, 2018, the District Attorney's proportion was .265187%, which was an increase of .013159% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$39,253, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, (\$3,609).

At December 31, 2019, 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	\$	\$ 15,963
Changes of assumptions	19,907	
Net difference between projected and actual earnings on pension plan investments	49,059	
Changes in proportion and differences between employer contributions and proportionate share of contributions	487	23
Employer contributions subsequent to the measurement Date	<u>21,537</u>	
Total	<u>\$ 90,990</u>	<u>\$ 15,986</u>

The District Attorney reported a total of \$21,537 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2018, which will be recognized as a reduction in net pension liability in the year ended December 31, 2020.

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

<u>Year</u>	<u>Amount</u>
2020	\$ 17,055
2021	7,863
2022	7,074
2023	<u>21,475</u>
Total	<u>\$ 53,467</u>

**Actuarial Methods and Assumptions**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Plan B – Entry Age Normal
Investment Rate of Return	6.50% Net of investment expense, including inflation
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan B – 4.25%
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 increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Heathy Retirees multiplied by 130% for males and 125% for females using MP2019 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2019 scale for disabled annuitants.
Inflation Rate	2.40%

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

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

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 (expected returns, net of pension plan investment expense and inflation) 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 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.43%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projections using the MP2019 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2019 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2019 scale.

**Sensitivity to Change in Discount Rate**

The following presents the net pension liability of the participating employers as of December 31, 2018 calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	PLAN A		
	<u>Changes in Discount Rate</u>		
	1% Decrease <u>5.50%</u>	Current Discount Rate <u>6.50%</u>	1% Increase <u>7.50%</u>
Net Pension Liability (Asset)	\$188,490	\$71,644	\$(25,974)

(Continued)

District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

**Change in Net Pension Liability (Asset)**

The changes in the net pension liability for the year ended December 31, 2019 were recognized in the current reporting period as pension expense except as follows:

**Differences between Expected and Actual Experience:**

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**Differences between Projected and Actual Investment Earnings:**

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five year period.

**Change in Assumptions:**

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**Change in Proportion:**

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense/(benefit) using a straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

**Contributions – Proportionate Share**

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

**Retirement System Audit Report**

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

**Plan Fiduciary Net Position**

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended December 31, 2018. Access to these reports can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

(6) Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

<u>Government Activities</u>	<u>Balance 12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2019</u>
Capital assets, not being depreciated				
Land	\$ 7,875	\$	\$	\$ 7,875
Total capital assets not being depreciated	<u>7,875</u>			<u>7,875</u>
Capital assets, being depreciated				
Buildings and building improvements	60,165			60,165
Automobiles	12,816			12,816
Equipment, furniture, and fixtures	76,683			76,683
Total capital assets, being depreciated at historical cost	<u>149,664</u>			<u>149,664</u>
Less accumulated depreciation:				
Building and building improvements	(35,756)	(2,610)		(38,366)
Automobiles	(12,816)			(12,816)
Equipment, furniture, and fixtures	(70,583)	(2,247)		(72,830)
Total accumulated depreciation	<u>(119,155)</u>	<u>(4,857)</u>		<u>(124,012)</u>
Total capital assets, being depreciated, net	<u>30,509</u>	<u>(4,857)</u>		<u>25,652</u>
Governmental activities capital assets, net	<u>\$ 38,384</u>	<u>\$ (4,857)</u>	<u>\$</u>	<u>\$ 33,527</u>

Depreciation expense was charged to governmental activities as follows:

Judicial	<u>\$ 4,857</u>
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(7) Leases

The District Attorney has entered into various agreements to lease office copiers. Future minimum lease payments are shown in the table below:

<u>December 31,</u>	<u>Amount</u>
2020	<u>\$ 2,561</u>

Total rental expense of leased equipment was \$11,526 for the year ended December 31, 2019.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

(8) On-behalf Payments

For the year ended December 31, 2019, the District Attorney recorded on-behalf payments totaling \$239,372 from the State of Louisiana for payroll, payroll taxes and retirement. These payments were directly from the State to the District Attorney and assistant district attorneys. The District Attorney also recorded on-behalf payments from the DeSoto Parish Police Jury totaling \$546,330 for staff salaries, benefits and operating costs of the District Attorney's office. On-behalf payments from these sources total \$785,702. A breakdown of the payments by source is as follows:

DeSoto Parish Police Jury		
Payroll and payroll taxes	\$	275,202
Pension – Retirement		16,466
Insurance		143,158
Other		111,504
Total		<u>\$ 546,330</u>
State of Louisiana		
Payroll and payroll taxes	\$	233,335
Pension – Retirement		6,037
		<u>\$ 239,372</u>

(9) Expenditures of the District Attorney not Included in the Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court funds. Those expenditures are summarized as follows:

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

(10) Federal Financial Assistance Program

The District Attorney of the Forty-Second Judicial District participates in federal and state programs that are fully or partially funded by grants received from other governmental units including the United States Department of Health and Human Service Support Enforcement, Title IV-D Program. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2019, the District Attorney for the Forty-Second Judicial District expended \$239,255 for the program.

(11) Contingencies

Risk Management – The District Attorney is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risk of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District Attorney. There were no significant reductions in insurance coverage from the previous year.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

Grant Disallowances – The District attorney participates in one federally assisted grant program. The reimbursement payments are restricted by a formal agreement between the District Attorney and the Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis. The reimbursements may be subject to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

(12) Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Net pension liability - DA system	\$ 123,426	\$ 19,706	\$	\$ 143,132	\$
Net pension liability - Parochial system	_____	<u>71,644</u>	_____	<u>71,644</u>	_____
Total long-term liabilities, government-wide statements	<u>\$ 123,426</u>	<u>\$ 91,350</u>	<u>\$ _____</u>	<u>\$ 214,776</u>	<u>\$ _____</u>

(13) Receivables

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

Commissions on fines and forfeitures	\$ 10,080
State and federal grants:	
Title IV-D reimbursement	39,554
Victims assistance grants	<u>2,500</u>
Totals	<u>\$ 52,134</u>

(14) Subsequent Events

Subsequent events have been evaluated through January 4, 2021, the date the financial statements were available to be issued.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
December 31, 2019  
(Continued)

(15) Deferred Inflows and Deferred Outflows of Resources

The Statement of Net Position reports deferred inflows of resources at December 31, 2019, consisting of the following:

Pension related – DA system	\$ 59,520
Pension related – Parochial system	<u>15,986</u>
	<u>\$ 75,506</u>

The Statement of Net Position reports deferred outflows of resources at December 31, 2019, consisting of the following:

Pension related – DA system	\$ 107,050
Pension related – Parochial system	<u>90,990</u>
	<u>\$ 198,040</u>

(16) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.



District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Fines, fees and bond forfeitures	\$ 216,000	\$ 212,475	\$ 213,738	\$ 1,263
Intergovernment revenue	236,000	265,163	239,302	(25,861)
Other income			11,790	11,790
Interest income	3,000		340	340
Total revenues	<u>455,000</u>	<u>477,638</u>	<u>465,170</u>	<u>(12,468)</u>
Expenditures:				
General government:				
Personnel services	772,000	775,351	787,228	(11,877)
Travel			15,386	(15,386)
Operating services	144,000	162,725	56,109	106,616
Supplies	8,000	4,833	4,594	239
Other charges	24,000	12,454	71,773	(59,319)
Total expenditures	<u>948,000</u>	<u>955,363</u>	<u>935,090</u>	<u>20,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(493,000)</u>	<u>(477,725)</u>	<u>(469,920)</u>	<u>7,805</u>
Other financing sources (uses):				
Transfer in	<u>25,000</u>	<u>500,000</u>	<u>500,000</u>	
Net change in fund balance	(468,000)	22,275	30,080	7,805
Fund balances at beginning of year	<u>598,302</u>	<u>200,762</u>	<u>234,425</u>	<u>33,663</u>
Fund balances at end of year	<u>\$ 130,302</u>	<u>\$ 223,037</u>	<u>\$ 264,505</u>	<u>\$ 41,468</u>

See accompanying note to the required supplementary schedule.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Required Supplementary Information  
Budgetary Comparison Schedule  
Pre-Trial Intervention/Diversion Program Fund  
For the Year Ended December 31, 2019

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, fees and bond forfeitures	\$ 981,000	\$ 856,699	\$ 834,215	\$ (22,484)
Interest income		583	243	(340)
Total revenues	<u>981,000</u>	<u>857,282</u>	<u>834,458</u>	<u>(22,824)</u>
<b>Expenditures:</b>				
General government:				
Personnel services	55,000	74,101	73,989	112
Other charges	481,000	681,243	556,113	125,130
Operating services	14,000	14,670	135,041	(120,371)
Supplies	4,000	6,716	5,517	1,199
Total expenditures	<u>554,000</u>	<u>776,730</u>	<u>770,660</u>	<u>6,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>427,000</u>	<u>80,552</u>	<u>63,798</u>	<u>(16,754)</u>
Other financing sources (uses):				
Transfer out	<u>(25,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	
Net change in fund balance	402,000	(419,448)	(436,202)	(16,754)
Fund balances at beginning of year	<u>779,365</u>	<u>779,365</u>	<u>795,482</u>	<u>16,117</u>
Fund balances at end of year	<u>\$ 1,181,365</u>	<u>\$ 359,917</u>	<u>\$ 359,280</u>	<u>\$ (637)</u>

See accompanying note to the required supplementary schedule.

District Attorney of the Forty-Second Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Note to Required Supplementary Information  
 December 31, 2019

Budget comparison schedules included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. Budgets are adopted on a cash basis. There was one budget amendment during 2019. The following schedule reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the statement of revenues, expenditures and changes in fund balance (budget basis) with amounts shown on the statement of revenues, expenditures and changes in fund balances (GAAP basis):

	<u>General Fund</u>	<u>Pre-Trial Intervention/ Diversion Fund</u>
Excess (deficiency) of revenues over expenditures (budget basis)	\$ 30,080	\$ ( 436,202)
Adjustments:		
Revenue accruals – net	5,310	
Expenditure accruals – net	<u>( 9,677)</u>	<u>38,092</u>
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>\$ 25,713</u>	<u>\$ ( 398,110)</u>

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Schedule of Proportionate Share of Net Pension Liability (Asset)  
For the Year Ended December 31, 2019

Fiscal Year Ended	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's Covered Payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>Louisiana District Attorney's Retirement System (LDARS)</u>					
2019	0.44492%	\$ 143,132	\$ 261,628	54.71%	93.13%
2018	0.38356%	123,426	258,349	47.77%	92.92%
2017	0.43173%	116,448	262,366	44.00%	93.60%
2016	0.43631%	83,513	246,810	34.00%	95.10%
2015	0.32993%	17,772	205,911	9.00%	98.60%
2014	0.46100%	9,194	193,486	5.00%	99.50%
<u>Parochial Employees' Retirement System (PERSLA)</u>					
2019	0.26519%	\$ 71,644	\$ 277,424	25.82%	91.93%
2018	0.25203%	(31,710)	255,573	-12.41%	104.02%
2017	0.21988%	28,563	221,041	13.00%	95.50%
2016	0.20730%	36,908	217,484	17.00%	92.20%
2015	0.15350%	426	140,755	0.00%	99.10%
2014	0.14698%	250	69,379	0.00%	99.80%

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

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Required Supplementary Information  
Schedule of Contributions  
For the Year Ended December 31, 2019

Year Ended June 30	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	Contribution Deficiency (Excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
<u>Louisiana District Attorney's Retirement System (LDARS)</u>					
2019	\$ 6,978	\$ 6,978	\$	\$ 265,503	2.63%
2018	1,615	1,615		258,349	0.63%
2017	-	-		258,352	0.00%
2016	8,329	8,329		247,349	3.37%
2015	13,287	13,287		235,605	5.64%
2014	13,544	13,544		193,486	7.00%
<u>Parochial Employees' Retirement System of Louisiana (PERSLA)</u>					
2019	\$ 21,537	\$ 21,537	\$	\$ 287,163	7.50%
2018	20,807	20,807		277,424	7.50%
2017	18,859	18,859		235,733	8.00%
2016	15,027	15,027		221,041	6.80%
2015	10,656	10,656		217,484	4.90%
2014	9,966	9,966		140,755	7.08%

\*Amounts presented were determined as of the measurement date.

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Other Supplementary Information  
Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For The Year Ended December 31, 2019

**Agency Head: Honorable Gary V. Evans - District Attorney**

**SECTION I**

**Paid by the District Attorney of the Forty-Second Judicial District:**

<b>Purpose</b>		<b>Amount</b>
Salary	\$	100,328
Benefits - retirement		2,637

**SECTION II**

**Paid by the Desoto Parish Police Jury:**

<b>Purpose</b>		<b>Amount</b>
Salary	\$	2,375
Benefits		7,942

**Paid by the State of Louisiana:**

<b>Purpose</b>		<b>Amount</b>
Salary	\$	50,000
Benefits - retirement		1,312

# COOK & MOREHART

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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*

Independent Auditor's Report

Honorable Gary Evans  
District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the District Attorney of the Forty-Second Judicial District, a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney of the Forty-Second Judicial District's basic financial statements, and have issued our report thereon dated January 4, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District Attorney of the Forty-Second Judicial District'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 of the Forty-Second Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Forty-Second Judicial District's internal control.

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

Our consideration of internal control 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 weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Audit Findings for the Louisiana Legislative Auditor as item 2019-01, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Sixth Judicial District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Audit Findings for the Louisiana Legislative Auditor as item 2019-02.

### **District Attorney of the Twenty-Sixth Judicial District's Response to Finding**

The District Attorney of the Twenty-Sixth Judicial District's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings for the Louisiana Legislative Auditor. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart  
Certified Public Accountants  
January 4, 2021



District Attorney of the Forty–Second Judicial District  
DeSoto Parish, Louisiana  
Schedule of Audit Findings for Louisiana Legislative Auditor  
For the Year Ended December 31, 2019

**Summary Schedule of Prior Year Audit Findings**

There was one finding for the prior year audit for the year ended December 31, 2018, as follows:

<b>Reference No.:</b>	<b>2018-01 Control System – Debit Card Transactions</b>
Criteria:	All receipts should be maintained as supporting documentation for all debit card transactions.
Condition:	Receipts were not filed for debit card transactions in a manner which allowed for efficient review for substantiation. Those transactions were reviewed monthly from the bank statements.
Status:	Finding repeated in audit for the year ended December 31, 2019.

**Current Year Audit Findings**

There are two findings for the current year audit for the year ended December 31, 2019, as follows:

<b>Reference No.:</b>	<b>2019-01 Control System – Debit Card Transactions</b>
Criteria:	All receipts should be maintained as supporting documentation for all debit card transactions.
Condition:	Receipts were not filed for debit card transactions in a manner which allowed for efficient review for substantiation. Those transactions were reviewed monthly from the bank statements.
Cause:	A system was not in place whereby receipts are maintained for debit card transactions on a current basis.
Effect:	Certain debit card charges did not have supporting documentation readily available for inspection.
Recommendation:	Receipts should be maintained for all debit card charges on a current basis. Those receipts should be filed with the Financial Administrator on a monthly basis.
Corrective Action Planned:	A system will be developed whereby receipts are maintained for all debit card charges on a monthly basis. The District Attorney's office reviews all debit card transactions on a monthly basis.

(Continued)

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
Schedule of Audit Findings for Louisiana Legislative Auditor  
For the Year Ended December 31, 2019  
(Continued)

<b>Reference No.:</b>	<b>2019-02 Late Submission of Audit</b>
Criteria:	State law requires audit reports to be submitted no later than six months after the District Attorney's fiscal year, plus the approved disaster-related extension of time to November 16, 2020.
Condition:	The District Attorney's audit report for the year ended December 31, 2019 was not submitted by November 16, 2020.
Cause:	The District Attorney ask for and received an extension until November 16, 2020 due to COVID-19 related issues but did not provide the necessary documents in order to complete the audit by the approved extended due date.
Effect:	The audit was not submitted in accordance with state law, including approved extensions.
Recommendation:	We recommend the District Attorney establish appropriate controls to ensure future audits will be submitted timely.
Management's Response:	Management will establish controls to ensure future audits will be submitted timely in accordance with state law.

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## Independent Accountants' Report on Applying Agreed-Upon Procedures

District Attorney of the Forty-Second Judicial District  
of Desoto Parish, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by District Attorney of the Forty-Second Judicial District (District Attorney), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures Year 2 (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. District Attorney of the Forty-Second Judicial District's (District Attorney) management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) Continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Exception:* The District Attorney did not provide written policies and procedures addressing all of the above.

*Management's Response:* The District Attorney will work to prepare written policies and procedures to include all applicable areas noted above.

**Board (or Finance Committee, if applicable)**

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

**Bank Reconciliations**

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Management provided the requested information, along with management's representation that the listing is complete.

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

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

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

Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation, except as noted below:

*Exception:* There was no evidence that a member of management reviewed and approved the bank reconciliations for the accounts selected for testing.

*Management's Response:* The District Attorney will implement those appropriate controls to ensure that bank reconciliations are approved by a member of management in the future.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Exception:* There was no evidence that a member of management researched reconciling items that were outstanding for more than 12 months from the closing date.

*Management's Response:* The District Attorney will implement appropriate controls for reviewing/reconciling items that are outstanding for more than 12 months from closing date.

### **Collections**

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

Management provided the requested information, along with management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Management provided the requested information, along with management's representation that the listing is complete.

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

Cash drawers are not utilized.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

For the items tested, the employee responsible for collecting cash was not responsible for preparing/making deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

For the items tested, the employee responsible for collecting cash was not responsible for posting collection entries to the general ledgers or subsidiary ledgers.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

For the items tested, the employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers was not responsible for collecting cash.

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

Employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

*Exception:* The District Attorney does not utilize sequentially pre-numbered receipts.

*Management's Response:* The District Attorney utilizes a certain software program that has internally generated numbers for each collection.

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

For the items tested, the system reports were traced to the deposit slip.

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

For the items tested, the deposit slip total was traced to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

For the items tested, the deposits were made within one business day of collection.

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

For the items tested, the actual deposit per the bank statement was traced to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management provided the requested information, along with management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*Exception:* The District Attorney does not have written policies and procedures.

*Management's Response:* The District Attorney will work to prepare written policies and procedures.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Exception:* Purchases are made and approved by the Financial Administrator.

*Management's Response:* It is the District Attorney's policy for the Financial Administrator to make and approve all purchases.

- b) At least two employees are involved in processing and approving payments to vendors.  
At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
The contract accountant processes payments and the Financial Administrator reviews changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.  
Officials responsible for signing checks gives the signed checks to an employee to mail that is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursements matched the related original invoices and included evidence of segregation of duties.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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

Management provided the requested information, along with management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

*Exception:* There was no evidence of approval on the 1 statement selected for testing.

*Management's Response:* The District Attorney will implement procedures for ensuring that all credit/debit card statements and supporting documentation are reviewed and approved, in writing, by someone other than the authorized card holder.

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

No finance charges or late fees were assessed on the statements selected for testing.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Transactions selected for testing were supported by an original itemized receipt that identified precisely what was purchased, contained written documentation of the business purpose, and documentation of the individuals participating in meals, as applicable, except as noted below:

*Exception:* Of the statement selected for testing, there were two (2) missing receipts totaling \$670.95, there was no business purpose documented, and there was not documentation of the individuals participating in the meals for those charges.

*Management's Response:* The District Attorney's will implement procedures over credit/debit cards, which include retaining detailed receipts/supporting documentation for all charges and documentation of business purpose for each charge.

#### ***Travel and Expense Reimbursement***

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

#### ***Contracts***

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

#### ***Payroll and Personnel***

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management provided the requested information, along with management's representation that the listing is complete. For the 5 employees selected for testing, the paid salaries agreed with the authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.



The District Attorney's policy is that only part-time employees utilize time sheets. All other employees are salaried which are authorized and approved by the District Attorney.

*Exception:* The District Attorney does not have formal written documentation for leave.

*Management's Response:* The District Attorney will implement procedures to track leave.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

The District Attorney did not have any terminated employees during the fiscal year.

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

Management provided representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

#### ***Ethics (excluding nonprofits)***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

The District Attorney located documentation demonstrating each employee completed one hour of ethics training during the fiscal period for the five employees selected for testing. Also, the District Attorney provided documentation that each employee selected for testing had read the District Attorney's ethics policy during the fiscal period.

#### ***Debt Service (excluding nonprofits)***

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

#### ***Other***

Testing not required for this area for the fiscal period January 1, 2019 through December 31, 2019, due to no exceptions being noted in prior year.

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

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



Cook & Morehart  
Certified Public Accountants  
January 4, 2021