

**DISTRICT ATTORNEY OF THE  
SIXTEENTH JUDICIAL DISTRICT**  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

**Financial Report**

**Year Ended December 31, 2019**

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### INDEPENDENT AUDITORS' REPORT

Honorable M. Bofill Duhé  
District Attorney of the  
Sixteenth Judicial District  
Parishes of Iberia, St. Martin  
and St. Mary, Louisiana  
New Iberia, Louisiana 70560

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Sixteenth Judicial District, 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 Sixteenth 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, each major fund, and the aggregate remaining fund information of the District Attorney of the Sixteenth 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 budgetary comparison information, schedule of changes in the District Attorney's total OPEB liability and related ratios, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 54 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Sixteenth Judicial District's basic financial statements. The budgetary comparison information for the Probation Fund (nonmajor fund) is presented for purposes of

additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The budgetary comparison information for the Probation Fund (nonmajor fund) 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 our report dated September 24, 2020, on our consideration of the District Attorney of the Sixteenth 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 Sixteenth 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 Sixteenth Judicial District's internal control over financial reporting and compliance.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
September 24, 2020

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**



DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Statement of Net Position  
December 31, 2019

ASSETS

Current assets:

Cash and interest-bearing deposits	\$ 2,473,757
Due from other governmental units	1,089,833
Prepaid items	<u>98,729</u>
Total current assets	<u>3,662,319</u>

Noncurrent assets:

Capital assets, net	<u>109,334</u>
Total assets	<u>3,771,653</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on pension	1,809,207
Deferred amount on post employment benefit plan	<u>3,282,914</u>
Total deferred outflows of resources	<u>5,092,121</u>

LIABILITIES

Current liabilities:

Accounts payable	155,146
Due to other governments	406,191
Other liabilities	<u>179,762</u>
Total current liabilities	<u>741,099</u>

Noncurrent liabilities:

Post employment benefit obligation payable	12,130,278
Net pension liability	<u>2,129,812</u>
Total noncurrent liabilities	<u>14,260,090</u>

Total liabilities	<u>15,001,189</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred amount on pension	288,230
Deferred amount on post employment benefit plan	<u>1,011,435</u>
Total deferred inflows of resources	<u>1,299,665</u>

NET POSITION

Net investment in capital assets	109,334
Unrestricted (deficit)	<u>(7,546,414)</u>
Total net position	<u>\$ (7,437,080)</u>

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

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Statement of Activities  
For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	<u>\$ 10,366,272</u>	<u>\$ 6,173,492</u>	<u>\$ 1,578,143</u>	<u>\$ (2,614,637)</u>
	General revenues:			
	Interest income			57,595
	On-behalf payments			1,245,579
	Miscellaneous			<u>250,275</u>
	Total general revenues			<u>1,553,449</u>
	Change in net position			(1,061,188)
	Net position - January 1, 2019			<u>(6,375,892)</u>
	Net position - December 31, 2019			<u>\$ (7,437,080)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS - GOVERNMENTAL FUNDS**

### **MAJOR FUNDS**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

#### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Title IV-D Fund** - This special revenue fund account 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 fund is to establish the support obligations owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

**Family Service Division Fund** – This fund consists of federal and state grant funds received from the Louisiana Office of Juvenile Justice, the Louisiana Commission on Law Enforcement, and the U.S. Department of Justice. Local funding sources from the three parish school boards, parish government, and court costs also generate revenue. This fund was developed to accomplish two tasks: target troubled children at an early age through early intervention and reduce truancy through TASC. Case managers are assigned to designated high risk schools to assist children and their families in resolving problems that could lead to later delinquent behavior.

**Criminal Court Clearing Fund** – This fund was established by the Louisiana Revised Statute 15:571 and is funded by court costs revenue, fines and forfeitures imposed by the district court in criminal cases. Other sources of revenue include commissions on drug seizure cases. The only expenditures currently chosen to be paid out of this fund are salaries and related benefits of the District Attorney and district judges and transcription costs.

#### **Nonmajor Special Revenue Fund**

**Probation Fund** – The District Attorney's office assumed the responsibility of probation supervision services for all cases of two years or less, which were rendered by the Department of Public Safety and Corrections. The Probation Fund provides the Sixteenth Judicial District with probation officers to oversee defendants that the courts have placed on supervised probation. The revenues derived by this fund consist largely of probation fees. As a condition of supervised probation, the courts will order a monthly fee of up to sixty dollars to be paid to this fund by the defendants. These fees are used to fund the administrative costs of this system.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2019

	General Fund	Title IV-D Fund	Family Service Division Fund
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 1,550,215	\$ 142,381	\$ 588,567
Due from other funds	332,402	-	-
Due from other governmental units	278,015	126,886	123,079
Prepaid items	63,935	13,735	9,469
 Total assets	 \$ 2,224,567	 \$ 283,002	 \$ 721,115
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 147,201	\$ -	\$ 6,395
Due to other funds	67,970	-	-
Due to other governments	-	-	-
Other liabilities	61,735	25,087	26,162
 Total liabilities	 276,906	 25,087	 32,557
Fund balance:			
Nonspendable	63,935	13,735	9,469
Restricted	-	244,180	679,089
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,883,726	-	-
Total fund balance	1,947,661	257,915	688,558
 Total liabilities and fund balance	 \$ 2,224,567	 \$ 283,002	 \$ 721,115

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

Criminal Court Clearing Fund	Nonmajor Fund Probation Fund	Totals
\$ 169,513	\$ 23,081	\$ 2,473,757
67,970	-	400,372
533,378	28,475	1,089,833
<u>-</u>	<u>11,590</u>	<u>98,729</u>
<u>\$ 770,861</u>	<u>\$ 63,146</u>	<u>\$ 4,062,691</u>
\$ -	\$ 1,550	\$ 155,146
312,402	20,000	400,372
406,191	-	406,191
<u>52,268</u>	<u>14,510</u>	<u>179,762</u>
<u>770,861</u>	<u>36,060</u>	<u>1,141,471</u>
-	11,590	98,729
-	-	923,269
-	-	-
-	-	-
<u>-</u>	<u>15,496</u>	<u>1,899,222</u>
<u>-</u>	<u>27,086</u>	<u>2,921,220</u>
<u>\$ 770,861</u>	<u>\$ 63,146</u>	<u>\$ 4,062,691</u>

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2019

Total fund balance for governmental funds at December 31, 2019	\$	2,921,220
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, net of \$765,757 accumulated depreciation	\$	87,687
Automobiles, net of \$151,118 accumulated depreciation	<u>21,647</u>	109,334
The deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds:		
Pension plan	1,809,207	
Post employment benefit obligation	<u>3,282,914</u>	5,092,121
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:		
Post employment benefit obligation payable	(12,130,278)	
Net pension liability	<u>(2,129,812)</u>	(14,260,090)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:		
Pension plan	(288,230)	
Post employment benefit obligation	<u>(1,011,435)</u>	<u>(1,299,665)</u>
Total net position of governmental activities at December 31, 2019	\$	<u>(7,437,080)</u>

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

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended December 31, 2019

	General Fund	Title IV-D Fund	Family Service Division Fund
<b>Revenues:</b>			
Commissions on fines and forfeitures	\$ 1,731,974	\$ -	\$ 112,165
Drug seizure forfeitures	32,411	-	-
Bond premium fees	118,442	-	-
Collection fees	24,067	-	-
Probation fees	-	-	-
Grants	298,655	537,428	69,256
State funds	60,000	276,857	314,766
Local funds	-	-	21,181
Intergovernmental agreement	626,558	-	477,834
Interest income	38,286	3,614	11,338
On-behalf payments	1,245,579	-	-
Other	11,990	1,140	10,013
Total revenues	4,187,962	819,039	1,016,553
<b>Expenditures:</b>			
General government - judicial	4,391,447	816,209	896,332
Excess (deficiency) of revenues over expenditures	(203,485)	2,830	120,221
<b>Other financing sources (uses):</b>			
Operating transfers in	-	-	12,754
Operating transfers out	(80,724)	-	-
Total other financing sources (uses)	(80,724)	-	12,754
Net change in fund balance	(284,209)	2,830	132,975
Fund balance, beginning	2,231,870	255,085	555,583
Fund balance, ending	\$ 1,947,661	\$ 257,915	\$ 688,558

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



Criminal Court Clearing Fund	Nonmajor Fund Probation Fund	Totals
\$ 1,020,957	\$ -	\$ 2,865,096
29,659	-	62,070
-	-	118,442
106,300	-	130,367
-	496,504	496,504
-	-	905,339
-	-	651,623
-	-	21,181
1,427,098	-	2,531,490
3,555	802	57,595
-	-	1,245,579
-	39,388	62,531
<u>2,587,569</u>	<u>536,694</u>	<u>9,147,817</u>
<u>2,655,539</u>	<u>520,794</u>	<u>9,280,321</u>
<u>(67,970)</u>	<u>15,900</u>	<u>(132,504)</u>
67,970	-	80,724
-	-	(80,724)
<u>67,970</u>	<u>-</u>	<u>-</u>
-	15,900	(132,504)
-	11,186	3,053,724
<u>\$ -</u>	<u>\$ 27,086</u>	<u>\$ 2,921,220</u>

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2019

Total net change in fund balances at December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (132,504)
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 33,820	
Depreciation expense for the year ended December 31, 2019	<u>(51,085)</u>	(17,265)

Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price does not affect the statement of revenues, expenditures, and changes in fund balances. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.

(20)

Expenses not requiring the use of current financial resources and, therefore, not reported as expenditures in the governmental funds:

Net change in OPEB liability and related deferreds	(463,997)	
Net change in net pension liability and related deferreds	<u>(447,402)</u>	<u>(911,399)</u>

Total change in net position for the year ended December 31, 2019 per Statement of Activities	<u>\$ (1,061,188)</u>
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The accompanying notes are an integral part of the basic financial statements.

## FUND DESCRIPTIONS - FIDUCIARY FUNDS

### AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net position.

**Special Asset Forfeiture Fund** – This fund was established in compliance with Louisiana Revised Statute 40:2616, which provides that all monies obtained under the provisions of Revised Statute Chapter 26, “Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989,” shall be deposited in this fund.

The office of the District Attorney shall administer expenditures from this fund. The court shall ensure the equitable distribution of any forfeited property, or of monies, to the appropriate law enforcement agency so as to reflect the contribution of that agency’s participation in any of the activities that led to the seizure or forfeiture of the property or monies.

**LSP Region II fund** – The Louisiana State Police Region II Fund was created by court order on June 16, 1989, when a sum of forfeited money was placed into a special account to be monitored by the office of the District Attorney. The monies are disbursed at the discretion of the District Attorney and used for the payment of equipment or expenses for the Louisiana State Police, Region II and Troop I in connection with their investigation and apprehension of drug violators.

**Special Fund** – This fund was established by the District Attorney to serve as collection agency to account for the costs that are ordered to be paid to the Acadiana Crime Lab (ACL) and the Wildlife and Fisheries. The ACL has had a deficit over the past few years which is funded at year end by different entities using the lab (i.e. sheriff’s offices and local police departments.) The ACL monies collected through this fund will be used to cover the three parish’s sheriff’s office portion of the deficit. The fines paid to the Wildlife and Fisheries are disbursed at the discretion of the District Attorney and used for payment of equipment or expenses of the Wildlife and Fisheries.

**Collections Clearing Account Fund** – This fund was established by the District Attorney to serve as a clearing account for payments collected within Probation Services as ordered in court. The new processing of payments will allow defendants to make one money order or one credit card payment, payable to the District Attorney’s Office, rather than multiple money orders for various agencies. The District Attorney’s Office will then disburse the respective payments to the various agencies as required.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Statement of Fiduciary Net Position - Agency Funds  
December 31, 2019

Assets	
Cash and cash equivalents	\$ 826,575
Accounts receivable	<u>818</u>
Total assets	<u>827,393</u>
Liabilities	
Assets forfeited - pending judicial disposition	783,338
Held for taxing bodies	<u>44,055</u>
Total liabilities	<u>\$ 827,393</u>

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

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the District Attorney of the Sixteenth Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Sixteenth Judicial District encompasses the parishes of Iberia, St. Martin and St. Mary, Louisiana.

For financial reporting purposes, the District Attorney includes all funds, account groups, activities, et cetera, that are controlled by the District Attorney as an independently elected parish official. As an independently elected parish official, the District Attorney is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Parish Governments maintain and operate the parish courthouses in which the District Attorney's offices are located and provide funds for equipment and furniture of the District Attorney's office. Other than this and certain operating expenditures of the District Attorney's office that are paid or provided by the parish governments as required by Louisiana law, the District Attorney is financially independent.

Accordingly, the District Attorney is a separate governmental reporting entity. Certain units of local government, over which the District Attorney exercises no oversight responsibility, such as the parish governments, parish school boards, other independently elected parish officials, and municipalities within the parishes, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Attorney.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The District Attorney has no business-type activities.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District Attorney's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District Attorney are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The various funds of the District Attorney are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the District Attorney, if management chooses to define a particular fund as major, or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds considered to be major are described below:

Governmental funds—

General fund

The General Fund, as provided by Louisiana Revised Statute 15:571.11, provides that twelve percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenses of his office. It is used to account for and report all financial resources not accounted for and reported in another fund. Other sources of revenue include commissions on drug seizure cases, which are to be used for, but not limited to, prosecution, rewards, support, and continuing legal education in furtherance of Louisiana Revised Statute 40:2616, pre-trial diversion fees, court costs, bond premium fees authorized by Louisiana Revised Statute 1065:1, and worthless check collection fees in accordance with Louisiana Revised Statute 16:15.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

Special revenue funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The individual special revenue funds used by the District Attorney for the year ended December 31, 2019 are as follows:

Title IV-D Fund – This special revenue fund account 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 fund is to establish the support obligations owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Family Service Division Fund – This fund consists of federal and state grant funds received from the Louisiana Department of Social Services, the Louisiana Commission on Law Enforcement, and the U.S. Department of Justice and court costs revenue as well as funds from local governmental agencies (schools and parishes), non-profit organizations and private foundations. This fund was developed to accomplish two tasks: target troubled children at an early age through early intervention and reduce truancy through TASC. Case managers are assigned to designated high risk schools to assist children and their families in resolving problems that could lead to later delinquent behavior.

Criminal Court Clearing Fund – This fund was established by the Louisiana Revised Statute 15:571 and is funded by court costs revenue, fines and forfeitures imposed by the district court in criminal cases. Other sources of revenue include commissions on drug seizure cases. The only expenditures currently chosen to be paid out of this fund are salaries and related benefits of the District Attorney and district judges and transcription costs.

The following are nonmajor funds:

Special Revenue Fund—

Probation Fund – The District Attorney's office assumed the responsibility of probation supervision services for all cases of two years or less, under the authority of the judicial branch as set forth in the Louisiana Revised Statutes. The Probation Fund provides the Sixteenth Judicial District with probation officers to oversee defendants that the courts have placed on supervised probation. The revenues derived by this fund consist solely of probation fees. As a condition of supervised probation, the courts will order a monthly fee of up to sixty dollars to be paid to this fund by the defendants. These fees are used to fund the administrative costs of this system.

Agency Funds—

Fiduciary funds account for assets held on behalf of outside parties, including other governments. Agency funds account for assets held by the District Attorney in a custodial capacity (i.e., assets equal liabilities) and do not involve measurement of

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

operations. The individual agency funds used by the District Attorney for the year ended December 31, 2019 are as follows:

Special Asset Forfeiture Fund – This fund was established in compliance with Louisiana Revised Statute 40:2616, which provides that all monies obtained under the provisions of Revised Statute Chapter 26, “Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989,” shall be deposited in this fund.

The office of the District Attorney shall administer expenditures from this fund. The court shall ensure the equitable distribution of any forfeited property, or of monies, to the appropriate law enforcement agency so as to reflect the contribution of that agency’s participation in any of the activities that led to the seizure or forfeiture of the property or monies.

LSP Region II Fund – The Louisiana State Police Region II Fund was created by court order on June 16, 1989, when a sum of forfeited money was placed into a special account to be monitored by the office of the District Attorney. The monies are disbursed at the discretion of the District Attorney and used for the payment of equipment or expenses for the Louisiana State Police, Region II and Troop I in connection with their investigation and apprehension of drug violators.

Special Fund – This fund was established by the District Attorney to serve as collection agency to account for the costs that are ordered to be paid to the Acadiana Crime Lab (ACL) and the Wildlife and Fisheries. The ACL has had a deficit over the past few years which is funded at year end by various entities using the lab (i.e. sheriff’s offices and local police departments.) The ACL monies collected through this fund will be used to cover the three parish sheriff’s office portion of the deficit. The fines paid to the Wildlife and Fisheries are disbursed at the discretion of the District Attorney and used for payment of repairs to boats, purchasing new boats, etc.

Collections Clearing Account Fund – This fund was established by the District Attorney to serve as a clearing account for payments collected within Probation Services as ordered in court. The new processing of payments will allow defendants to make one money order, payable to the District Attorney’s Office, rather than multiple money orders for various agencies. The District Attorney’s Office will then disburse the respective payments to the various agencies as required.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated



DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

with its activities are reported. Government-wide equity is classified as net position. In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

When both restricted and unrestricted resources are available for use, it is the District Attorney's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity**

**Cash and interest-bearing deposits**

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District Attorney.

**Interfund receivables and payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances include grant revenue and commissions.

Capital Assets

In the government-wide financial statements, capital assets (primarily equipment and automobiles) are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The District Attorney’s threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment and automobiles	5-10 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

All full-time employees earn from 7 to 21 days of vacation leave each year depending on length of service. Vacation leave cannot be accumulated. All full-time employees earn 15 days of sick leave each year. Sick leave may be accumulated but is not paid upon termination. At December 31, 2019, the District Attorney has no leave benefits required to be accrued and reported.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District Attorney has no restricted net position.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the District Attorney. The District Attorney is the highest level of decision-making authority for the District Attorney's office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District Attorney.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District Attorney's adopted policy, only the District Attorney may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

As of December 31, 2019, fund balances are composed of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Prepaid items	\$ 63,935	\$ 34,794	\$ 98,729
Restricted:			
Other purposes	-	923,269	923,269
Committed:	-	-	-
Assigned:	-	-	-
Unassigned:	<u>1,883,726</u>	<u>15,496</u>	<u>1,899,222</u>
Total fund balances	<u>\$1,947,661</u>	<u>\$ 973,559</u>	<u>\$ 2,921,220</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District Attorney considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in its commitment or assignment actions.

E. Expenditures and Transfers

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character. In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items. The only prepaid item that existed at December 31, 2019 was prepaid insurance.

G. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the District Attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District Attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the District Attorney has cash and interest-bearing deposits (book balances) totaling \$3,300,332 of which \$826,575 is attributable to fiduciary funds, which are not presented in the statement of net position.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Attorney's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2019 are secured as follows:

Bank balances	<u>\$3,369,394</u>
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At December 31, 2019 the deposits are secured as follows:

Federal deposit insurance	419,513
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Pledged securities	<u>2,949,881</u>
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Total	<u>\$3,369,394</u>
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DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

Deposits in the amount of \$2,949,881 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District Attorney's name. The District Attorney does not have a policy for custodial credit risk.

(3) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at December 31, 2019:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 332,402	\$ 67,970
Special Revenue Funds:		
Criminal Court Clearing Fund	67,970	312,402
Probation Fund	<u>-</u>	<u>20,000</u>
Totals	<u>\$ 400,372</u>	<u>\$ 400,372</u>

The receivables and payables noted above are basically caused by timing. All are expected to be paid within one year.

B. Interfund transfers

Interfund transfers consisted of the following at December 31, 2019 :

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General Fund	\$ -	\$ 80,724
Special Revenue Funds:		
Family Service Division Fund	12,754	-
Criminal Court Clearing Fund	<u>67,970</u>	<u>-</u>
Totals	<u>\$ 80,724</u>	<u>\$ 80,724</u>

The transfer between the general fund and the family service division fund was due to the fact that when fines are collected through pre-trial diversion, a portion of these fees is allocated to the family service division fund. The transfer from the general fund to the criminal court clearing fund was made to cover the deficit at year end in the criminal court clearing fund.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

(4) Due from Other Governments

The amount due from other governments of \$1,089,833 at December 31, 2019, consists of amounts due from various state and local departments for various appropriations and reimbursements of grant expenditures.

(5) Capital Assets

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

	<u>Balance</u> <u>01/01/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/19</u>
Governmental activities:				
Equipment	\$ 822,752	\$ 33,820	\$ (3,128)	\$ 853,444
Automobiles	<u>172,765</u>	<u>-</u>	<u>-</u>	<u>172,765</u>
Totals	<u>995,517</u>	<u>33,820</u>	<u>(3,128)</u>	<u>1,026,209</u>
Less accumulated depreciation				
Equipment	725,650	43,215	(3,108)	765,757
Automobiles	<u>143,248</u>	<u>7,870</u>	<u>-</u>	<u>151,118</u>
Total accumulated depreciation	<u>868,898</u>	<u>51,085</u>	<u>(3,108)</u>	<u>916,875</u>
Governmental activities, capital assets, net	<u>\$ 126,619</u>	<u>\$ (17,265)</u>	<u>\$ (20)</u>	<u>\$ 109,334</u>

Depreciation expense of \$51,085 was charged to the general government function.

(6) Due to Other Governments

The amount due to other governments of \$406,191 at December 31, 2019, consists of amounts due to various state and local governments for various items.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

(7) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to others follows:

	Special Asset Forfeiture Fund	Louisiana State Police Region II Fund	Special Fund	Payroll Fund	Accounts Payable Fund	Collections Clearing Account Fund
Balances, December						
31, 2018	\$ 583,786	\$ 43,583	\$ 48,563	\$ -	\$ -	\$ 30,545
Additions	270,318	1,010	731	2,786,541	5,984,495	2,513,130
Reductions	<u>(172,143)</u>	<u>-</u>	<u>(5,239)</u>	<u>(2,786,541)</u>	<u>(5,984,495)</u>	<u>(2,486,891)</u>
Balances, December						
31, 2019	<u>\$ 681,961</u>	<u>\$ 44,593</u>	<u>\$ 44,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,784</u>

(8) Expenditures of the District Attorney not included in the Financial Statements

The District Attorney's offices are located in the courthouses of Iberia, St. Mary and St. Martin Parishes. The respective parish governments pay for the upkeep and maintenance of the courthouses.

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the parish governing bodies or directly by the state.

(9) Risk Management

The District Attorney is exposed to risks of loss in the areas of general and auto liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the fiscal year. Settlements have not exceeded insurance coverage in any of the past three years.

(10) Litigation

There is one litigation pending against the District Attorney at December 31, 2019. The litigation involves a pipeline dispute and alleged unlawful arrests in conjunction with protests against construction of said pipeline. A motion to dismiss has been filed, but no ruling has been made on the motion. It is management's opinion that the District Attorney's office will not suffer any monetary damages. Accordingly, no liability has been recorded at December 31, 2019.

(11) On-behalf Payments for Fringe Benefits and Salaries

GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance requires the District Attorney to report in the financial statements on-behalf



DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

salary and fringe benefit payments made by the State of Louisiana and by the parish governments of Iberia, St. Mary, and St. Martin to certain employees of the District Attorney's office.

Supplementary salary payments are made by the state and parish governments directly to the District Attorney and to the Assistant District Attorneys. The District Attorney's office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. On-behalf payments recorded as revenue and expenditures in the 2019 financial statements are as follows:

General Fund:	
State of Louisiana	\$ 995,000
Iberia Parish Government	72,450
St. Mary Parish Government	72,813
St. Martin Parish Government	56,550
Total On-behalf payments	<u>\$1,196,813</u>

On-behalf payments include benefit payments (pension and medicare) made on behalf of the District Attorney and the Assistant District Attorneys. The payments are made to the Louisiana District Attorneys' Retirement System as described in Note (14) and to the United States Treasury/Internal Revenue Service. The District Attorney's office is not legally responsible for these payments. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments.

General Fund:	
State of Louisiana	\$ 40,545
Iberia Parish Government	2,950
St. Mary Parish Government	2,968
St. Martin Parish Government	2,303
Total On-behalf pension and medicare tax payments	<u>\$ 48,766</u>

(12) Federal Financial Assistance Programs

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the federal grantor agencies. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of such a review or audit.

(13) Post-Employment Health Care and Life Insurance Benefits / GASB 75

*Plan description* – The District Attorney of the Sixteenth Judicial District (the District Attorney) provides certain continuing health care and life insurance benefits for its retired employees. The District Attorney of the Sixteenth Judicial District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District Attorney. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District Attorney. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions – Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

*Benefits Provided* – Medical benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees retirement eligibility (D.R.O.P. entry) provisions are as follows: Employees are covered by either the Parochial Employees’ Retirement System of Louisiana or the Louisiana District Attorneys’ Retirement System. The Parochial retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service. The District Attorneys’ retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 24 years of service; age 60 and 10 years of service. In all cases, retirees on and after March 1, 2015 are subject to a minimum of 15 years of service for coverage.

Life insurance coverage is not considered for this valuation.

*Employees covered by benefit terms* – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	26
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	102
	128

**Total OPEB Liability**

The District Attorney’s total OPEB liability of \$12,130,278 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and other inputs* – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	4.10% annually (beginning of year to determine ADC) 2.74% annually (as of end of year measurement date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers’ 20 Year General Obligation municipal bond index as of December 31, 2019, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

The actuarial assumptions used in December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

**Changes in the Total OPEB Liability**

Balance at December 31, 2018	<u>\$ 8,299,081</u>
Changes for the year:	
Service cost	142,998
Interest	343,194
Differences between expected and actual experience	898,720
Changes in assumptions	2,657,771
Benefit payments and net transfers	<u>(211,486)</u>
Net changes	<u>3,831,197</u>
 Balance at December 31, 2019	 <u>\$ 12,130,278</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.74%) or 1-percentage-point higher (5.74%) than the current discount rate:

	1% Decrease 3.74%	Current Discount Rate 4.74%	1% Increase 5.74%
Total OPEB Liability	<u>\$15,219,667</u>	<u>\$12,130,278</u>	<u>\$ 9,886,355</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the District Attorney, as well as what the District Attorney’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1% Decrease 4.50%	Current Trend Rate 5.50%	1% Increase 6.50%
Total OPEB Liability	<u>\$ 9,883,878</u>	<u>\$12,130,278</u>	<u>\$15,170,505</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2019, the District Attorney recognized OPEB expense of \$675,482. At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 829,587	\$ 64,620
Changes of assumptions	2,453,327	946,815
Total	\$ 3,282,914	\$ 1,011,435

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

Years ending December 31:

2020	\$ 189,290
2021	189,290
2022	189,290
2023	189,290
2024	189,290
Thereafter	1,325,029

(14) Pension Plans / GASB 68

Substantially all employees of the District Attorney are members of one of the following statewide retirement systems: Louisiana District Attorneys' Retirement System and Parochial Employees' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows.

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

**Louisiana District Attorneys' Retirement System**

The Louisiana 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 retirement, and death benefit, are provided as specified in the plan.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (continued)

Summary of Significant Accounting Policies

The Louisiana District Attorneys' Retirement System (System) prepares its employer schedules in accordance with the standards established by the Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting

The Louisiana District Attorneys' Retirement System's employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2019.

System Employees

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

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 relate 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.

Plan Description

The Louisiana District Attorneys' Retirement System 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 become members as a condition of their employment; provided, however, that in the case of assistant

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Notes to Basic Financial Statements (continued)

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 the 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 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 60.

Upon the death of a member with less than five years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five or more years of service or any member with 23 years of service who has not retired, automatic Option 2 benefits are payable to 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.

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Notes to Basic Financial Statements (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 surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$60 per month) and all retired members and surviving beneficiaries who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. 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 a service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in 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 1%. 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%.

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Notes to Basic Financial Statements (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 were recognized as revenue in the amount of \$128,157 and excluded from pension expense for the year ended December 31, 2019.

Schedule of Employer Allocations

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Louisiana District Attorneys' Retirement System. 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 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 contributions to the System during the fiscal year ended June 30, 2019, as compared to the total of all employers' contributions received by the System during the fiscal year ended June 30, 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 \$439,068 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 a projection of the District Attorney's long-term share of contributions to the retirement system relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District Attorney's proportion was 1.364823%, which was an increase of 0.109863% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$234,254 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$5,264.

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



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Notes to Basic Financial Statements (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,887	\$ 137,040
Changes of assumptions	199,978	14,481
Net difference between projected and actual earnings on pension plan investments	61,575	-
Change in proportion and differences between employer contributions and proportionate share of contributions	25,856	17,800
Employer contributions subsequent to the measurement date	20,510	-
Total	\$ 309,806	\$ 169,321

Deferred outflows of resources of \$20,510 related to pensions resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019.

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

Fiscal Year Ended	
12/31/2020	\$ 40,992
12/31/2021	18,575
12/31/2022	25,387
12/31/2023	54,136
12/31/2024	(19,115)
	\$ 119,975

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.

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Notes to Basic Financial Statements (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 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	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 employees, annuitants, and beneficiaries mortality.  RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
Expected Remaining Service Lives	6 years - 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

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 of 7.56% for the year ended June 30, 2019.

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Notes to Basic Financial Statements (continued)

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

Asset Class	Long-Term Target Asset Allocation	Rates of Return	
		Real	Nominal
Equities	48.42%	5.13%	
Fixed Income	40.10%	1.65%	
Alternatives	10.99%	0.78%	
Cash	0.49%	0.00%	
Totals	100.00%		5.07%
Inflation			2.49%
Expected Arithmetic Nominal Return			7.56%

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.

	Changes in Discount Rate		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of net pension liability / (asset)	\$1,195,980	\$ 439,068	\$(205,442)

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:

1. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of

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Notes to Basic Financial Statements (continued)

the total pension liability were recognized in pension expense using the straight-line amortization method over a close period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred outflows of resources in the amount of \$1,887 and deferred inflows of resources in the amount of \$137,040 for the year ended December 31, 2019.

2. 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. The difference between projected and actual investment earnings resulted in deferred outflows of resources in the amount of \$61,575 for the year ended December 31, 2019.
3. 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. The changes of assumptions or other inputs resulted in deferred outflows of resources in the amount of \$199,978 and deferred inflows of resources in the amount of \$14,481 for the year ended December 31, 2019.
4. Changes in proportion: Changes in the employers' 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 employers' 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 pensions through the pension plan. The changes in proportion resulted in deferred outflows of resources in the amount of \$25,856 and deferred inflows of resources in the amount of \$17,800 for the year ended December 31, 2019.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employers' proportionate share are 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 a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Estimates

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

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Notes to Basic Financial Statements (continued)

Retirement System Audit Report

The District Attorneys' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

**Parochial Employees Retirement System of Louisiana**

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing, multiple-employer defined benefit pension plan established by Act 2015 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.

Summary of Significant Accounting Policies

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting

The System's employer pension schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2018.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

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Notes to Basic Financial Statements (continued)

System Employees

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

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.

Plan Description

The 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 District Attorney participates in Plan A.

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System.

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 System.

Retirement Benefits

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

For employees hired prior to January 1, 2007:

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

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Notes to Basic Financial Statements (continued)

4. 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.

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

Survivor Benefits

Upon the death of any member with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

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

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the 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 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 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

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Notes to Basic Financial Statements (continued)

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 obligations of the state 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

A member shall be eligible to retire and receive a disability benefit if they were 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 shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60.

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, 2018, the actuarially determined contribution rate was 9.99% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50%.

According to state statute, the System also receives  $\frac{1}{4}$  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 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 are recognized as revenue in the amount of \$29,110 and excluded from pension expense for the year ended December 31, 2019.

Schedule of Employer Allocations

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. 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



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Notes to Basic Financial Statements (continued)

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 contributions 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.

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 \$1,690,744 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 District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the District Attorney's proportion was 0.380939%, which was a decrease of 0.034441% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the District Attorney recognized pension expense of \$652,553 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,727.

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 experiences	\$ -	\$ 103,005
Changes of assumptions	422,741	-
Net difference between projected and actual earnings on pension plan investments	809,365	-
Change in proportion and differences between employer contributions and proportionate share of contributions	4,979	15,904
Employer contributions subsequent to the measurement date	<u>262,316</u>	<u>-</u>
Total	<u>\$ 1,499,401</u>	<u>\$ 118,909</u>

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Notes to Basic Financial Statements (continued)

Deferred outflows of resources of \$262,316 related to pensions resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended	
12/31/2020	\$ 383,583
12/31/2021	207,392
12/31/2022	169,664
12/31/2023	<u>357,537</u>
	<u>\$1,118,176</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 December 31, 2019, are as follows:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	4.75%

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.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 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 MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation Rate	2.40%

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 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.

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:

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

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

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 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 projection using the MP2018 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 MP2018 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 MP2018 scale.

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.

	Changes in Discount Rate		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of net pension liability	\$3,590,687	\$ 1,690,744	\$ 102,557

Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

1. Differences between expected and actual experience: Differences between expected and actual experience regarding 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. The difference between expected and actual experience resulted in deferred inflows of resources in the amount of \$103,005 for the year ended December 31, 2019.
2. 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. The difference between projected and actual investment earnings resulted in deferred outflows of resources in the amount of \$809,365 for the year ended December 31, 2019.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

3. Changes of 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. The changes of assumptions or other inputs resulted in deferred outflows of resources in the amount of \$422,741 for the year ended December 31, 2019.
4. 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 employers' 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 pensions through the pension plan. The changes in proportion resulted in deferred outflows of resources in the amount of 4,979 and deferred inflows of resources in the amount of \$15,904 for the year ended December 31, 2019.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employers' 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. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report

The 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).

Estimates

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

(15) Act 706 – Schedule of Compensation, Reimbursements, Benefits and Other Payments to Entity Head

Under Act 706, the District Attorney of the Sixteenth Judicial District is required to disclose the compensation, reimbursements, benefits, and other payments made to the District Attorney, in which the payments are related to the position. The following is a schedule of payments made to the District Attorney for the year ended December 31, 2019.

Entity head: M. Bofill Duhé, District Attorney

Salary	\$	115,969
Benefits - insurance		15,275
Benefits - retirement/medicare		5,362
Car allowance		16,385
Per diem		829
Reimbursements		186
Travel		4,219
Registration fees		1,270
		1,270
	\$	159,495

On-behalf payments for salaries and fringe benefits:

Salaries (as allowed by RS 16:10)		50,000
Salaries (as allowed by RS 16:351)		6,046
Salaries (as allowed by RS 16:351)		6,054
Salaries (as allowed by RS 16:351)		5,728
Fringe benefits paid by State of Louisiana		3,350
Fringe benefits paid by Iberia Parish Government		406
Fringe benefits paid by St. Mary Parish Government		406
Fringe benefits paid by St. Martin Parish Government		372
		372
		72,362
Total	\$	231,857

(16) New Accounting Pronouncement

In January of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. On May 8, 2020, the GASB agreed to delay the effective date of the standard by one year. Therefore, the new standard will be effective for fiscal year ending December 31, 2020. The effect of implementation on the District Attorney's financial statements has not yet been determined.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

(17) Excess of Expenditures Over Appropriations

For the year ended December 31, 2019, the following funds had actual expenditures over appropriations:

Fund	Final Budget	Actual	Excess
General Fund	\$ 4,285,782	\$ 4,391,447	\$ (105,665)
Family Service Division Fund	\$ 891,801	\$ 896,332	\$ (4,531)

(18) Subsequent Event

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The District Attorney of the Sixteenth Judicial District expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

(19) Going Concern

The outbreak of COVID-19 had significant implications on the revenue stream of the District Attorney's office. Management thoroughly studied their financial situation and continuously updated their analysis of the anticipated financial impact of COVID-19. Management prepared projections to quantify the negative implications of COVID-19 on the entity's financial health. The first projections were prepared using actual information through March 2020 and projecting the remainder of the year, using anticipated percentage changes in revenues and expenditures. The projections were recently revised to reflect actual information through August 2020 and projecting the remainder of year, using updated anticipated percentage changes in revenues and expenditures. The revised projections yielded a significantly improved projected ending fund balance as of December 31, 2020.

Management's evaluation of the situation and steps taken to minimize the negative implications of this pandemic include the following items:

1. Management has requested and received some financial assistance from the parish governments and will continue to explore all options for additional financial support from parish governments as mandated by law.
2. Management reduced its workforce by approximately 40%, effective May 15, 2020.
3. Management terminated one multi-jurisdictional grant that it was administering. In addition, management is considering the termination of additional discretionary programs/services to reduce the administrative burden associated therewith.
4. Management explored any potential state funding available through the CARES Act administered through the Louisiana Division of Administration, but found the only significant assistance offered was for computers, unemployment expenditures, COVID-related supplies and payroll expenses incurred by The Families First Coronavirus Response Act (FFCRA) Emergency Paid Leave Provisions (H.R.6201).

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Notes to Basic Financial Statements (continued)

5. With the State of Louisiana now in Phase 3 of the State of Emergency for COVID-19 proclamation and businesses, individuals, etc. slowly returning to normalcy, management believes this will be beneficial to their office.

As a result of the above enumerated items, management believes that the District Attorney will continue as a going concern.



**REQUIRED  
SUPPLEMENTARY INFORMATION**

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Commissions on fines and forfeitures	\$ 1,882,067	\$ 1,718,464	\$ 1,731,974	\$ 13,510
Drug seizure forfeitures	45,045	29,369	32,411	3,042
Bond premium fees	112,000	111,636	118,442	6,806
Collection fees	19,500	21,705	24,067	2,362
Grants -				
Louisiana Commission on Law Enforcement	304,970	302,361	298,655	(3,706)
State Funds -				
Victims Assistance	60,000	60,000	60,000	-
Interest income	32,006	39,889	38,286	(1,603)
On-behalf payments	1,229,134	1,238,111	1,245,579	7,468
Intergovernmental agreement	1,311,500	661,872	626,558	(35,314)
Other	11,303	14,363	11,990	(2,373)
Total revenues	5,007,525	4,197,770	4,187,962	(9,808)
<b>Expenditures:</b>				
General government - judicial				
Salaries and related benefits	3,127,511	3,155,710	3,166,012	(10,302)
Operating services	324,066	314,504	327,929	(13,425)
Materials and supplies	181,398	159,280	174,840	(15,560)
Travel and other charges	61,455	63,858	61,400	2,458
Capital outlay	42,500	10,391	16,458	(6,067)
Professional fees	602,491	580,934	643,332	(62,398)
Intergovernmental agreement	3,000	1,105	1,476	(371)
Total expenditures	4,342,421	4,285,782	4,391,447	(105,665)
Excess (deficiency) of revenues over expenditures	665,104	(88,012)	(203,485)	(115,473)
<b>Other financing uses:</b>				
Operating transfers out	(807,707)	(22,586)	(80,724)	(58,138)
Net change in fund balance	(142,603)	(110,598)	(284,209)	(173,611)
Fund balances, beginning	2,166,119	2,231,870	2,231,870	-
Fund balances, ending	\$ 2,023,516	\$ 2,121,272	\$ 1,947,661	\$ (173,611)

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana  
Title IV-D Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants-				
Louisiana Department of Social Services	\$ 550,523	\$ 536,389	\$ 537,428	\$ 1,039
State funds-				
Louisiana Department of Social Services	283,603	276,322	276,857	535
Interest income	2,894	3,746	3,614	(132)
Other	636	2,004	1,140	(864)
Total revenues	837,656	818,461	819,039	578
Expenditures:				
General government - judicial				
Salaries and related benefits	784,796	747,341	747,449	(108)
Operating services	43,725	37,332	37,067	265
Materials and supplies	18,000	16,296	15,866	430
Travel and other charges	5,000	4,952	5,128	(176)
Capital outlay	6,000	5,946	4,955	991
Professional fees	6,323	5,744	5,744	-
Total expenditures	863,844	817,611	816,209	1,402
Net change in fund balance	(26,188)	850	2,830	1,980
Fund balances, beginning	251,806	255,085	255,085	-
Fund balances, ending	\$ 225,618	\$ 255,935	\$ 257,915	\$ 1,980

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana  
Family Service Division Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Commissions on fines and forfeitures	\$ 88,900	\$ 92,623	\$ 112,165	\$ 19,542
Grants -				
Louisiana Commission on Law Enforcement	87,000	64,811	69,256	4,445
State Funds -				
FINS	84,072	84,072	84,072	-
TASC	181,684	229,357	182,038	(47,319)
OYD	-	-	48,656	48,656
Local Funds	21,181	21,181	21,181	-
Intergovernmental agreement	462,700	479,700	477,834	(1,866)
Interest income	7,100	11,728	11,338	(390)
Other	-	10,013	10,013	-
Total revenues	<u>932,637</u>	<u>993,485</u>	<u>1,016,553</u>	<u>23,068</u>
<b>Expenditures:</b>				
General government - judicial				
Salaries and related benefits	779,513	732,272	733,143	(871)
Operating services	30,547	30,445	35,527	(5,082)
Materials and supplies	9,915	29,265	26,967	2,298
Travel and other charges	25,397	21,526	23,915	(2,389)
Capital outlay	-	10,633	10,203	430
Professional fees	75,441	67,660	66,577	1,083
Total expenditures	<u>920,813</u>	<u>891,801</u>	<u>896,332</u>	<u>(4,531)</u>
Excess of revenues over expenditures	11,824	101,684	120,221	18,537
<b>Other financing sources:</b>				
Operating transfers in	<u>14,288</u>	<u>12,546</u>	<u>12,754</u>	<u>208</u>
Net change in fund balance	26,112	114,230	132,975	18,745
Fund balances, beginning	<u>555,974</u>	<u>555,583</u>	<u>555,583</u>	<u>-</u>
Fund balances, ending	<u>\$ 582,086</u>	<u>\$ 669,813</u>	<u>\$ 688,558</u>	<u>\$ 18,745</u>

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana  
Criminal Court Clearing Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Commissions on fines and forfeitures	\$ 989,480	\$ 1,106,695	\$ 1,020,957	\$ (85,738)
Drug seizure forfeitures	45,000	26,190	29,659	3,469
Collection fees	113,000	113,266	106,300	(6,966)
Intergovernmental agreement	795,649	1,399,127	1,427,098	27,971
Interest income	1,356	3,820	3,555	(265)
Total revenues	1,944,485	2,649,098	2,587,569	(61,529)
<b>Expenditures:</b>				
General government - judicial				
Salaries and related benefits	2,696,313	2,626,928	2,627,687	(759)
Operating services	1,020	1,020	1,020	-
Professional fees	40,571	31,190	26,832	4,358
Total expenditures	2,737,904	2,659,138	2,655,539	3,599
Deficiency of revenues over expenditures	(793,419)	(10,040)	(67,970)	(57,930)
<b>Other financing sources:</b>				
Operating transfers in	793,419	10,040	67,970	57,930
Net change in fund balance	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Schedule of Changes in the District Attorney's Total OPEB Liability and Related Ratios  
For the Year Ended December 31, 2019

	<u>2018</u>	<u>2019</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 188,151	\$ 142,998
Interest	318,774	343,194
Changes of benefit terms	-	-
Differences between expected and actual experience	(75,390)	898,720
Changes of assumptions	(1,104,617)	2,657,771
Benefit payments	<u>(200,460)</u>	<u>(211,486)</u>
<b>Net change in total OPEB liability</b>	(873,542)	3,831,197
<b>Total OPEB liability - beginning</b>	<u>9,172,623</u>	<u>8,299,081</u>
<b>Total OPEB liability - ending</b>	<u>\$ 8,299,081</u>	<u>\$ 12,130,278</u>
Covered-employee payroll	\$ 3,049,283	\$ 3,140,761
Net OPEB liability as a percentage of covered-employee payroll	272.16%	386.22%
<b>Notes to Schedule:</b>		
<i>Benefit Changes:</i>	None	None
<i>Changes of Assumptions:</i>		
<i>Discount Rate:</i>	4.10%	2.74%

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

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

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

Year Ended Dec 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll Obligation	Employer'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
DISTRICT ATTORNEYS' RETIREMENT SYSTEM					
2015	1.342869%	\$ 72,334	\$ 858,913	8.42%	98.56%
2016	1.183714%	226,571	551,157	41.11%	95.09%
2017	1.250690%	337,338	176,186	191.47%	93.57%
2018	1.254960%	403,836	-	0.00%	92.92%
2019	1.364823%	439,068	411,421	106.72%	93.13%
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA					
2015	0.474641%	\$ 129,771	\$ 2,706,784	4.79%	99.15%
2016	0.442651%	1,165,185	2,406,952	48.41%	92.23%
2017	0.426261%	877,890	2,335,827	37.58%	94.15%
2018	0.415380%	(308,314)	2,332,583	-13.22%	101.98%
2019	0.380939%	1,690,744	2,189,186	77.23%	88.86%

\* The amounts presented have a measurement date of the previous fiscal year end.

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

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

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

Year ended Dec 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<b>DISTRICT ATTORNEYS' RETIREMENT SYSTEM</b>					
2015	\$ 38,581	\$ 38,581	\$ -	\$ 551,157	7.00%
2016	12,333	12,333	-	176,186	7.00%
2017	-	-	-	-	0.00%
2018	5,143	5,143	-	411,421	1.25%
2019	20,510	20,510	-	781,612	2.62%
<b>PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA</b>					
2015	\$ 349,008	\$ 349,008	\$ -	\$ 2,406,952	14.50%
2016	303,658	303,658	-	2,335,827	13.00%
2017	291,573	291,573	-	2,332,583	12.50%
2018	251,756	251,756	-	2,189,186	11.50%
2019	253,559	253,559	-	2,204,863	11.50%

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



DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended December 31, 2019

(1) Budget and Budgetary Accounting

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

1. The District Attorney prepares a proposed budget for the fiscal year prior to the beginning of each fiscal year.
2. A summary of the proposed budget is established in December and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget in December after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budget to actual revenues and expenditures. Formal budgetary accounts are integrated into the accounting system during the year as a management control device.
6. The District Attorney is authorized to transfer amounts between line items within any fund. When actual revenues within the general fund or a special revenue fund are failing to meet estimated annual budgeted revenues by five percent or more and/or actual expenditures within the general fund or a special revenue fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such change is adopted by the District Attorney.
7. All budgetary appropriations lapse at the end of each fiscal year.
8. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the District Attorney. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – 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.

**OTHER SUPPLEMENTARY  
INFORMATION**

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana  
Probation Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Probation fees	\$ 487,492	\$ 495,437	\$ 496,504	\$ 1,067
Intergovernmental agreement	36,000	-	-	-
Interest income	700	912	802	(110)
Miscellaneous income	9,000	50,165	39,388	(10,777)
Total revenues	533,192	546,514	536,694	(9,820)
Expenditures:				
General government - judicial				
Salaries and related benefits	456,889	459,985	460,485	(500)
Operating services	29,006	29,884	28,869	1,015
Materials and supplies	7,878	6,836	7,027	(191)
Travel and other charges	7,000	5,850	5,102	748
Capital outlay	7,000	2,645	2,204	441
Professional fees	17,100	16,683	17,107	(424)
Total expenditures	524,873	521,883	520,794	1,089
Excess of revenues over expenditures	8,319	24,631	15,900	(8,731)
Fund balances, beginning	9,611	11,186	11,186	-
Fund balances, ending	\$ 17,930	\$ 35,817	\$ 27,086	\$ (8,731)

**INTERNAL CONTROL  
AND  
COMPLIANCE  
AND  
OTHER MATTERS**

# Champagne & Company, LLC

## Certified Public Accountants

Russell F. Champagne, CPA, CGMA\*  
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### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable M. Bofill Duhé  
District Attorney of the  
Sixteenth Judicial District  
Parishes of Iberia, St. Martin  
and St. Mary, Louisiana  
New Iberia, Louisiana 70560

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Sixteenth Judicial District, 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 Sixteenth Judicial District's basic financial statements, and have issued our report thereon dated September 24, 2020.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District Attorney of the Sixteenth Judicial District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Sixteenth Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Sixteenth 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying schedule of Findings, Questioned Costs and Management's Corrective Action plan as item 2019-001 that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney of the Sixteenth 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District Attorney of the Sixteenth Judicial District's Response to Finding**

The District Attorney of the Sixteenth Judicial District's response to the finding identified in our audit is described in the accompanying schedule of Findings, Questioned Costs and Management's Corrective Action plan. The District Attorney of the Sixteenth Judicial District'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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

## ***Champagne & Company, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
September 24, 2020

# Champagne & Company, LLC

## Certified Public Accountants

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

Honorable M. Bofill Duhé  
District Attorney of the  
Sixteenth Judicial District  
Parishes of Iberia, St. Martin  
and St. Mary, Louisiana  
New Iberia, Louisiana 70560

#### **Report on Compliance for the Major Federal Program**

We have audited the District Attorney of the Sixteenth Judicial District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney of the Sixteenth Judicial District's major federal programs for the year ended December 31, 2019. The District Attorney of the Sixteenth Judicial District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings, questioned costs and management's corrective action plan.

#### ***Management's Responsibility***

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

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

Our responsibility is to express an opinion on compliance for each of the District Attorney of the Sixteenth Judicial District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence

about the District Attorney of the Sixteenth Judicial District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on the Major Federal Program***

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

### **Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

## ***Champagne & Company, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
September 24, 2020



DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

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

Federal Grantor/Pass-Through Grantor/ Program Name	Federal CFDA Number	Pass-through Identifying Number	Federal Revenue Recognized	Federal Expenditures
<u>United States Department of Health and Human Services</u>				
Passed through Louisiana Department of Social Services Office of Family Support- Child Support Enforcement*	93.563	CFMS 722071 DOA 360-10024	\$ 537,428	\$ 537,428
Total United States Department of Health and Human Services			<u>537,428</u>	<u>537,428</u>
<u>United States Department of Justice</u>				
Passed through Louisiana Commission on Law Enforcement- Title II - Juvenile Justice & Delinquency Prevention Program - Delinquency Prevention	16.540	2016-JF-04-4087	<u>12,462</u>	<u>12,462</u>
Victims of Crime Act - Victims Assistance - Elderly Victims of Crime Program 8	16.575	2017-VA-04-4315	271,177	271,177
Victims of Crime Act - Victims Assistance - Child Abuse Program 4	16.575	2017-VA-03-4220	<u>44,794</u>	<u>44,794</u>
			<u>315,971</u>	<u>315,971</u>
STOP Violence Against Women - Violence Tracking	16.588	2018-WF-02-4773	<u>27,478</u>	<u>27,478</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-03-4630	<u>12,000</u>	<u>12,000</u>
Total United States Department of Justice			<u>367,911</u>	<u>367,911</u>
Total Expenditures of Federal Awards			<u>\$ 905,339</u>	<u>\$ 905,339</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

\*Denotes major federal program.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin, and St. Mary, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2019

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the District Attorney of the Sixteenth Judicial District (District Attorney). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The District Attorney's reporting entity is defined in Note 1 to the basic financial statements for the year ended December 31, 2019. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The major program is identified with an asterisk (\*) on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District Attorney's basic financial statements for the year ended December 31, 2019.

(3) Relationship to Fund Financial Statements

Federal financial assistance revenues are reported in the District Attorney's fund financial statements as follows:

General Fund -	
Elderly Victims of Crime Program 8	\$ 271,177
Violence Against Women - Violence Tracking	27,478
Title IV-D Fund -	
Child Support Enforcement	537,428
Family Service Division Fund -	
Child Abuse Program 4	44,794
Delinquency Prevention - Juvenile	12,462
Edward Byrne Memorial Justice Assistance Grant Program	12,000
Total	<u>\$ 905,339</u>

(4) Indirect Cost Rate

The District Attorney has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(5) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Schedule of Findings, Questioned Costs and  
Management's Corrective Action Plan  
Year Ended December 31, 2019

Part I: Summary of Auditors' Results:

1. An unmodified opinion was issued on the financial statements.
2. There was one material weakness disclosed by the audit of the financial statements.
3. There were no instances of material noncompliance disclosed.
4. No material weaknesses or significant deficiencies in internal control over the major program were disclosed by the audit of the financial statements.
5. An unmodified opinion was issued on compliance for the major program.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR Section 200.516(a).
7. The major program was:

U.S. Department of Health and Human Services: Child Support Enforcement
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

2019-001 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred – 2018

Condition and Criteria:

The District Attorney's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Effect:

This condition represents a material weakness in the internal control of the District Attorney's office.

Cause:

The condition resulted because the Administrator of the District Attorney's office retired during 2018. The Administrator was a Certified Public Accountant (CPA) who had the qualifications

(continued)

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Schedule of Findings, Questioned Costs and  
Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2019

and training to apply GAAP. The District Attorney's office did not hire a replacement for the Administrator. As such, the District Attorney's office now does not have a staff person who has the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The District Attorney's office should continue outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Mr. M. Bofill Duhe', District Attorney, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to continue outsourcing this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Part III: Findings and questioned costs for Federal awards which include audit findings as defined by Uniform Guidance (2 CFR 200.516 (a)):

There are no findings that are required to be reported under the above guidance.

Part IV: Management Letter Items:

There are no management letter items at December 31, 2019.

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2019

Section I: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

2018-001 – Inadequate Controls over Financial Statement Preparation

Finding:

The District Attorney's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Status:

Unresolved. See item 2019-001.

Section II: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Uniform Guidance:

There were no findings mentioned under this section at December 31, 2018.

Section III: Management Letter Items

There were no findings mentioned under this section at December 31, 2018.



**M. BOFILL DUHÉ**  
**DISTRICT ATTORNEY**

16TH JUDICIAL DISTRICT  
*Iberia • St. Martin • St. Mary*

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September 24, 2020

Courthouse Bldg.  
Franklin, LA  
337-828-4100 ext 550  
Morgan City, LA  
985-385-2333

Champagne & Company, LLC  
P.O. Box 250  
Breux Bridge, LA 70517

The District Attorney of the Sixteenth Judicial District respectfully submits the following corrective action plan for the year ending December 31, 2019.

Independent public accounting firm:

Champagne & Company, LLC  
P.O. Box 250  
Breux Bridge, LA 70517

Audit period: Year ending December 31, 2019

The finding from the December 31, 2019 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Finding – Financial Statement Audit  
Material Weakness  
2019-001 Inadequate Controls over Financial Statement Preparation

*Recommendation:* The District Attorney's office should continue outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

*Action Taken:* Mr. M. Bofill Duhe', District Attorney, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP), and determined that it is in the best interest of the government to continue outsourcing this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Sincerely

Angela D. Crochet  
Financial Officer

**DISTRICT ATTORNEY OF THE  
SIXTEENTH JUDICIAL DISTRICT**  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

**Statewide Agreed-Upon Procedures Report**

**Year Ended December 31, 2019**

# Champagne & Company, LLC

Certified Public Accountants

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of District Attorney of the Sixteenth Judicial District and the Louisiana Legislative Auditor:

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, 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***

*Written Policies and Procedures were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions in prior year (Year 2). However, since the disaster recovery/business continuity policy is new in Year 3, this policy was tested. See k) below.*

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.



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

*No exceptions noted.*

### ***Board or Finance Committee***

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*The District Attorney of the Sixteenth Judicial District is not required to maintain minutes; therefore, these steps are not applicable.*

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

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

### ***Bank Reconciliations***

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*Bank Reconciliations procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).*

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 each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections (excluding EFTs)***

---

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

*Obtained listing of deposit sites and management's representation that 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 :

*Obtained listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written representation and procedures relating to employee job duties.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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).

*No exceptions noted.*

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

*No exceptions noted.*

***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).

*Obtained listing of locations that process payments and 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:

*Obtained a listing of employees involved with non-payroll purchasing and payment functions and written policies and procedures relating to employee job duties.*

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

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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.

*The employee responsible for signing checks either mails the payment or gives the signed checks to an employee to mail who is 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:

*Obtained the non-payroll disbursement transaction population and management's representation that the listing is complete.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions noted.*

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

*No exceptions noted.*

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

*Credit Cards/Debit Cards/Fuel Cards/P-Cards procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing

receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

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

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*Travel and Travel-Related Expense Reimbursements were not tested at December 31, 2019 (Year 3) due to the fact that there were no exceptions noted in prior year (Year 2).*

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

### ***Contracts***

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*Contract procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).*

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing or general ledger is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

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*Payroll and Personnel procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).*

16. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid

salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

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*Ethics procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).*

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

### ***Debt Service***

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*Debt Service procedures were not tested at December 31, 2019 (Year 3) due to the fact that the District Attorney of the Sixteenth Judicial District did not issue debt this fiscal period nor did they have outstanding debt in the prior fiscal year.*

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

***Other***

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*Other procedures were not tested at December 31, 2019 (Year 3) due to the fact that this area was not tested in prior year (Year 2).*

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

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.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
September 24, 2020

DISTRICT ATTORNEY OF THE SIXTEENTH JUDICIAL DISTRICT  
Parishes of Iberia, St. Martin and St. Mary, Louisiana

Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2019

Management's Response to Item:

- 9d                      Exception relates to segregation of duties within the applicable area tested. The District Attorney of the Sixteenth Judicial District maintains a limited number of staff in the accounting department. As a result, every effort is made to segregate duties within this area to the best of our ability.