

**DISTRICT ATTORNEY OF THE  
TWELFTH JUDICIAL DISTRICT**  
Avoyelles Parish, Louisiana

Financial Report

Year Ended December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Charles A. Riddle, III  
District Attorney of the Twelfth Judicial District  
Avoyelles Parish, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Twelfth Judicial District ("District Attorney") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney as of December 31, 2019, and the respective changes in financial position for the year then ended in conformity 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

The District Attorney 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
September 28, 2020

## **BASIC FINANCIAL STATEMENTS**

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Statement of Net Position  
December 31, 2019

ASSETS	
Cash and interest-bearing deposits	\$ 26,814
Receivables -	
Commissions on fines and forfeitures	100,378
Grants	26,095
Capital assets:	
Non-depreciable	76,500
Depreciable, net	<u>439,339</u>
Total assets	<u>669,126</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	<u>269,255</u>
LIABILITIES	
Accounts payables	16,269
Accrued liabilities	15,966
Due to other governments	15,985
Net pension liability	<u>281,800</u>
Total liabilities	<u>330,020</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	<u>97,669</u>
NET POSITION	
Net investment in capital assets	515,839
Unrestricted	<u>(5,147)</u>
Total net position	<u>\$ 510,692</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, 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:				
General government -				
Judicial	<u>\$ 1,955,166</u>	<u>\$ 669,080</u>	<u>\$ 1,075,819</u>	\$ (210,267)
				General revenues:
				Non-employer contributions
				50,163
				Miscellaneous
				<u>13,750</u>
				Total general revenues
				<u>63,913</u>
				Change in net position
				(146,354)
				Net position, beginning
				<u>657,046</u>
				Net position, ending
				<u>\$ 510,692</u>

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



**FUND FINANCIAL STATEMENTS (FFS)**

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2019

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 26,814
Receivables, net	
Commissions on fines and forfeitures	100,378
Grants	<u>26,095</u>
 Total assets	 <u>\$ 153,287</u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 16,269
Accrued liabilities	15,966
Due to other governments	<u>15,985</u>
Total liabilities	<u>48,220</u>
 Fund balance:	
Unassigned	<u>105,067</u>
 Total liabilities and fund balances	 <u>\$ 153,287</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Total fund balances for governmental funds			\$ 105,067
Capital assets, net			515,839
Pension:			
Net pension liability		\$ (281,800)	
Deferred outflows of resources		269,255	
Deferred inflows of resources		<u>(97,669)</u>	<u>(110,214)</u>
Net position at December 31, 2019			<u>\$ 510,692</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

	<u>General Fund</u>
Revenues:	
Fees, services, and commissions	\$ 720,543
Intergovernmental revenues-	
Federal	314,457
State	32,500
Local	316,249
On-behalf payments	365,000
Other revenues	<u>13,665</u>
Total revenues	<u>1,762,414</u>
 Expenditures:	
Current -	
General government - judicial	
Personnel services and related benefits	1,473,660
General insurance	11,075
Association dues	10,334
Conventions and meetings	14,945
Miscellaneous	88,995
Office supplies	34,159
Postage	9,077
Professional services	147,832
Repairs and maintenance	10,845
Utilities	22,033
Capital outlay	<u>13,330</u>
Total expenditures	<u>1,836,285</u>
Net change in fund balances	(73,871)
Fund balance, beginning	<u>178,938</u>
Fund balance, ending	<u>\$ 105,067</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Total net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (73,871)
Capital assets:		
Capital outlay	\$ 13,330	
Depreciation expense	<u>(32,254)</u>	(18,924)
Effect of the change in net pension liability, deferred outflows/inflows of resources:		
Increase in pension expense	(103,722)	
Nonemployer pension contribution revenue recognized	<u>50,163</u>	<u>(53,559)</u>
Total change in net position per Statement of Activities		<u>\$ (146,354)</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Statement of Fiduciary Assets and Liabilities  
Agency Fund  
December 31, 2019

	<u>Asset Forfeiture</u>
ASSETS	
Cash	<u>\$ 29,778</u>
LIABILITIES	
Due to others	<u>\$ 29,778</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Twelfth Judicial District Avoyelles Parish, Louisiana (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 judicial district encompasses Avoyelles Parish, Louisiana.

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

A. Financial Reporting Entity

These financial statements include all funds and activities that are controlled by the District Attorney as an independently elected parish official. Control by or dependence on the District Attorney was determined on the basis of general oversight responsibility. The District Attorney's office receives assistance from the Police Jury for salaries and other operating expenses as required by Louisiana law, and is part of the district court system of the State of Louisiana, Although the District Attorney receives this assistance, the District Attorney, is financially independent and operates autonomously from the State of Louisiana and independently from the district court system.

As an independently elected official, the District Attorney is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

The District Attorney's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the District Attorney and the major fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

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, which are considered governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

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 (FFS)

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 consistent with legal and managerial requirements.

The various funds of the District Attorney are classified as governmental. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or the total assets, liabilities, revenues, or expenditures of that individual governmental fund is at least 10 percent of the corresponding total for all governmental funds combined.

The District Attorney reports the following major governmental fund:

General Fund –

The General Fund is the general operating fund of the District Attorney. It is used to account for all financial resources except those required to be accounted for in another fund.

In addition, the District Attorney reports the following fund:

Fiduciary Fund –

The Asset Forfeiture Fund consists of monies collected in accordance with Louisiana Revised Statute 40:2616. Disbursements from this fund are made to various agencies as prescribed by law. The agency fund is custodial in nature (assets equally liabilities) and does not involve the measurement of results of operations.

The District Attorney's fiduciary fund is presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension



DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

participants, etc.) and cannot be used to address activities or obligations of the District Attorney, this fund is not incorporated into the government-wide statements.

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 non-current) associated with its activities are reported. Government-wide fund 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 its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. Fund balance is used as its 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, the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District Attorney considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

Allocation of indirect expenses

The District Attorney reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District Attorney's citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District Attorney's general revenues.

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.

Receivables

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities' column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

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:

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements

Buildings and improvements	39 years
Furniture and equipment	5-10 years

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

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate of one day per calendar month of employment and may not exceed twenty days. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. At December 31, 2019, the District Attorney has no accumulated leave benefits required to be reported.

Deferred Outflows or 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.

Equity Classifications

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

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position – consists of net position with constraints 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. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

In the fund statements, governmental equity is classified as fund balances. Fund balances of the governmental funds are classified as follows:

1. 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.
2. 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.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District Attorney. The District Attorney is the highest level of decision-making authority for the District Attorney's office.
4. 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 specified purposes.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the 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 his commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with 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.

F. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, (described in more detail in Note 5), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements

are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

(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.

These deposits are stated at cost, which approximates market. 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 covered or will not be able to recover the collateral securities that are in the possession of an outside party. The District Attorney does not have a policy for custodial credit risk; however, under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2019 were fully insured and not exposed to custodial credit risk.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements

(3) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 76,500	\$ -	\$ -	\$ 76,500
Capital assets being depreciated:				
Building and improvements	860,091	9,740	-	869,831
Furniture and equipment	140,010	3,590	-	143,600
Total capital assets, being depreciated	<u>1,000,101</u>	<u>13,330</u>	<u>-</u>	<u>1,013,431</u>
Less accumulated depreciation -				
Buildings and improvements	418,716	22,162	-	440,878
Furniture and equipment	123,122	10,092	-	133,214
Total accumulated depreciation	<u>541,838</u>	<u>32,254</u>	<u>-</u>	<u>574,092</u>
Total capital assets, being depreciated, net	<u>458,263</u>	<u>(18,924)</u>	<u>-</u>	<u>439,339</u>
Capital assets, net	<u>\$ 534,763</u>	<u>\$ (18,924)</u>	<u>\$ -</u>	<u>\$ 515,839</u>

Depreciation expense of \$32,254 was charged to the judiciary function.

(4) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Agency Fund:				
Asset Forfeiture Fund	\$ 12,156	\$ 23,933	\$ 6,311	\$ 29,778

(5) Employee Retirement Systems

The District Attorney participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements

are not closed to new entrants. Substantially all District Attorney employees participate in one of the following retirement systems:

**Plan Descriptions:**

Parochial Employees' Retirement System (PERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1901 and 11:1941. The Government participates in Plan B.

District Attorneys' Retirement System (DARS) provides retirement, disability, and survivor benefits to district attorneys, assistant district attorneys, and employees of the Louisiana District Attorneys' Association and their beneficiaries as defined in the Louisiana Revised Statutes. Eligibility for retirement benefits and the computation of retirement benefits are defined in LRS 11:1632-1633.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	PERS	DARS
Final average salary	Final average compensation	Final average compensation
Years of service required and/or age eligible for benefits	30 years at age 55 10 years age 60 <sup>1</sup> 7 years age 65 <sup>1</sup>	30 years at any age 23 years age 55 <sup>2</sup> 18 years age 60 10 years age 62 <sup>2</sup>
Benefit percent per years of service	2.00%	3.0% - 3.5% <sup>2</sup>

<sup>1</sup> Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67

<sup>2</sup> Employees hired after July 1, 1990 3.5% per year; 30 years any age; 24 years age 55; 10 years age 60

**Contributions**

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

31, 2019 for the defined benefit pension plans in which the District Attorney is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Non-employer Contributing Entities</u>	<u>Amount of District Attorney Contributions</u>
PERS	3.00%	7.50%	\$ 6,404	\$ 39,976
DARS	8.00%	1.25%	\$ 43,759	\$ 6,943

**Net Pension Liability**

The District Attorney's net pension liability at December 31, 2019 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the District Attorney is a participating employer. The District Attorney's net pension liability for each plan was measured as of the plan's measurement date (December 31, 2018 for PERS and June 30, 2019 for DARS) 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 proportionate share of the net pension liability for each of the plans in which it participates was based on the District Attorney's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the District Attorney's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability(Asset)</u>	<u>Proportionate Share (%) of Net Pension Liability(Asset)</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
PERS	\$ 131,884	0.488161%	(0.016745)%
DARS	<u>149,916</u>	0.466007%	(0.019641)%
Total	<u>\$ 281,800</u>		

Since the measurement date of the net pension liability was December 31, 2018 for PERS and June 30, 2019 for DARS, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District Attorney's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- PERS - <http://www.persla.org/>
- DARS - <http://ladars.org/>



DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

**Actuarial Assumptions**

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	PERS	DARS
Date of experience study on which significant assumptions are based	1/1/2013-12/31/2017	7/1/2009-6/30/2014
Expected remaining service lives	4	6
Inflation Rate	2.40%	2.40%
Projected salary increases	4.25%	5.50%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)

- (1) 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.
- (2) Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale.
- (3) 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.
- (4) RP-2000 Disabled Lives Mortality Table for disabled annuitants (set back 5 years for males and 3 years for females) for disabled annuitants.
- (5) 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.

**Cost of Living Adjustments**

The pension plans in which the District Attorney participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state system (LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to the funded status and interest earnings.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (PERS and DARS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

**Discount Rate**

The discount rates used to measure the District Attorney's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>PERS</u>	<u>DARS</u>
Discount rate	6.50%	6.50%
Change in discount rate from prior valuation	(0.25%)	0.00%
Plan cash flow assumptions	(1)	(1)
Rates incorporated in the Discount Rate:		
Long-term Rate of Return	7.43%	7.56%
Periods applied	All	All
Municipal Bond Rate	N/A	N/A

**\*Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rates used to measure the District Attorney's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits.

For DARS, the long-term expected rate of return for each plan 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 expenses 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 and an adjustment for the effect of rebalancing/diversification.

For PERS, the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

Asset Class	PERS		DARS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35.0%	1.22%	40.1%	1.65%
Equities	52.0%	3.45%	48.4%	5.13%
Alternative Investments	11.0%	0.65%	11.0%	0.78%
Real Assets	2.0%	0.11%	0.5%	0.00%
Total	<u>100%</u>		<u>100%</u>	

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense, over a number of years. For the year ended December 31, 2019, the District Attorney recognized \$103,722 in pension expense related to all defined benefit plans in which it participates.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 644	\$ 76,176
Changes of assumptions	104,927	4,944
Net difference between projected and actual earnings on pension plan investments	111,333	-
Change in proportion and differences between employer contributions and proportionate share of contributions	7,196	16,549
Employer contributions subsequent to the measurement date	<u>45,155</u>	<u>-</u>
Total	<u>\$ 269,255</u>	<u>\$ 97,669</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

Deferred outflows of resources of \$45,155 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2020	\$ 44,916
2021	17,102
2022	18,370
2023	52,781
2024	(6,738)
	\$ 126,431

**Sensitivity of the District Attorney’s Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:**

The following presents the District Attorney’s proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the District Attorney’s proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability(Asset)		
		1% Decrease	Current Discount Rate	1% Increase
PERS	6.50%	\$ 346,976	\$ 131,884	\$ (47,814)
DARS	6.50%	408,357	149,916	(70,147)
Total		\$ 755,333	\$ 281,800	\$ (117,961)

(6) Risk Management

The District Attorney is exposed to risks of loss in the areas of health care, general liability, property hazards and workers’ compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year nor have insurance settlements have exceeded insurance coverage the past three years.

(7) 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 TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

salary and fringe benefit payments made by the State of Louisiana and by the parish government to certain employees of the District Attorney’s office.

Supplemental salary payments are made by the state and the parish government 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	<u>\$ 365,000</u>

(8) Compensation, Benefits and Other Payments to District Attorney

A detail of compensation, benefits and other payments paid to District Attorney Charles A. Riddle III were as follows:

Purpose	Amount
Salary	\$ 98,271
Benefits - insurance	11,574
Benefits - pension	2,580
Cell phone	2,684
Registration fees	475
Per diem	151
Conference travel	3,614
Total	<u>\$ 119,349</u>

(9) Litigation

At December 31, 2019, there is no litigation pending against the District Attorney.

(10) New Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The principal objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions of GASB No. 84 are effective for fiscal years beginning after December 15, 2019.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This statement requires recognition of certain leased assets and liabilities for leases that previously were classified as operating leases. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees, services, and commissions	\$ 861,450	\$ 741,725	\$ 720,543	(21,182)
Intergovernmental revenue-				
Federal	354,000	354,500	314,457	(40,043)
State	46,066	42,900	32,500	(10,400)
Local	291,170	294,970	316,249	21,279
On-behalf payments	365,000	365,000	365,000	-
Other revenues	<u>4,000</u>	<u>1,600</u>	<u>13,665</u>	<u>12,065</u>
Total revenues	<u>1,921,686</u>	<u>1,800,695</u>	<u>1,762,414</u>	<u>(38,281)</u>
<b>Expenditures:</b>				
Current -				
General government - judicial				
Personnel services and related benefits	1,425,736	1,434,865	1,473,660	(38,795)
General insurance	15,000	12,000	11,075	925
Association dues	20,500	22,705	10,334	12,371
Conventions and meetings	25,000	20,000	14,945	5,055
Miscellaneous	216,500	181,164	88,995	92,169
Office supplies	35,000	30,000	34,159	(4,159)
Postage	10,000	8,000	9,077	(1,077)
Professional services	113,970	53,000	147,832	(94,832)
Repairs and maintenance	25,000	23,000	10,845	12,155
Utilities	35,000	28,000	22,033	5,967
Capital outlay	<u>-</u>	<u>-</u>	<u>13,330</u>	<u>(13,330)</u>
Total expenditures	<u>1,921,706</u>	<u>1,812,734</u>	<u>1,836,285</u>	<u>(23,551)</u>
Net change in fund balance	(20)	(12,039)	(73,871)	(61,832)
Fund balance, beginning	<u>178,938</u>	<u>178,938</u>	<u>178,938</u>	<u>-</u>
Fund balance, ending	<u>\$ 178,918</u>	<u>\$ 166,899</u>	<u>\$ 105,067</u>	<u>\$ (61,832)</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Budgetary Comparison Schedule

(1) Budget and Budgetary Accounting

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

- a. The accountant prepares a proposed budget and submits it to the District Attorney for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. 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.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. 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.

(2) Excess of Expenditures over Appropriations

The General Fund incurred expenditures in excess of appropriations.



DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability(Asset)
<b>Parochial Employees Retirement System - Plan B *</b>					
2015	0.575067%	\$ 1,597	\$ 494,970	0.3%	99.89%
2016	0.544404%	\$ 96,929	\$ 523,255	18.5%	93.48%
2017	0.517458%	\$ 67,222	\$ 515,490	13.0%	95.50%
2018	0.504906%	\$ (63,527)	\$ 510,781	12.4%	104.02%
2019	0.488161%	\$ 131,884	\$ 505,104	26.1%	91.93%
<b>District Attorney's Retirement System **</b>					
2015	0.558014%	\$ 30,058	\$ 327,423	9.2%	98.56%
2016	0.617896%	\$ 118,270	\$ 374,105	31.6%	95.09%
2017	0.595941%	\$ 160,738	\$ 362,153	44.4%	93.57%
2018	0.446366%	\$ 143,637	\$ 277,528	51.8%	92.92%
2019	0.466007%	\$ 149,916	\$ 274,021	54.7%	93.13%

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

\*\* The amounts presented have a measurement date of June 30.

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Employee Payroll
<b>Parochial Employees Retirement System - Plan B</b>					
2015	\$ 47,093	\$ 47,093	\$ -	\$ 523,255	9.00%
2016	\$ 41,239	\$ 41,239	\$ -	\$ 515,490	8.00%
2017	\$ 40,863	\$ 40,863	\$ -	\$ 510,781	8.00%
2018	\$ 38,633	\$ 38,633	\$ -	\$ 505,104	7.65%
2019	\$ 39,976	\$ 39,976	\$ -	\$ 533,009	7.50%
<b>District Attorney's Retirement System</b>					
2015	\$ 18,059	\$ 18,059	\$ -	\$ 348,903	5.18%
2016	\$ 6,736	\$ 6,736	\$ -	\$ 383,462	1.76%
2017	\$ -	\$ -	\$ -	\$ 315,783	0.00%
2018	\$ 1,661	\$ 1,661	\$ -	\$ 265,771	0.62%
2019	\$ 6,943	\$ 6,943	\$ -	\$ 270,635	2.57%

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Retirement System Schedules

(1) Retirement Systems

Changes of benefit terms –

There were no changes of benefit terms.

Changes of assumptions –

Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
<b>*Parochial Employees Retirement System - Plan B:</b>					
2015	7.25%	7.25%	3.00%	4	5.75%
2016	7.00%	7.00%	2.50%	4	5.25%
2017	7.00%	7.00%	2.50%	4	5.25%
2018	6.75%	6.75%	2.50%	4	5.25%
2019	6.50%	6.50%	2.40%	4	4.25%
<b>**District Attorneys' Retirement System:</b>					
2015	7.00%	7.00%	2.50%	6	3.00%
2016	7.00%	7.00%	2.50%	7	3.00%
2017	6.75%	6.75%	2.50%	7	3.00%
2018	6.50%	6.50%	2.40%	6	3.10%
2019	6.50%	6.50%	2.40%	6	3.10%

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

\*\* The amounts presented have a measurement date of June 30.

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Charles A. Riddle, III,  
District Attorney of the Twelfth Judicial District  
Avoyelles Parish, Louisiana

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Twelfth Judicial District (District Attorney), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated September 28, 2020.

### Internal Control over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of 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 charges 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, as item 2019-001, which we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 Twelfth Judicial District's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or 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 Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
September 28, 2020

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2014

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The District Attorney of the Twelfth Judicial District's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition is the result from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing enhanced controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receive annual training related to their job duties. Additionally, we carefully review the financial statement, related notes and all proposed journal entries. All questions are adequately answered by our Auditors to allow us to appropriately supervise these functions. We feel that we have taken appropriate steps to reduce the financial statement risk cause by this finding.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2019

B. Compliance

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The District Attorney of the Twelfth Judicial District does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2019-001.



**12<sup>th</sup> Judicial District Attorney**  
Marksville, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period January 1, 2019 through December 31, 2019

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Alderman of the  
12<sup>th</sup> Judicial District Attorney, Louisiana and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the 12<sup>th</sup> Judicial District Attorney, Louisiana ("Entity") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

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1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
  - 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 system and software patches/ updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

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- 2. We obtained and inspected 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) We observed 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, we observed 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, we obtained the prior year audit report and observed the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

### ***Bank Reconciliations***

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- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included 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***

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- 4. Obtained 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 selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected 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 observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
- a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

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8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
- a) Observed that the disbursement matched the related original invoice/billing statement.
  - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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11. Obtained 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. Obtained management's representation that the listing is complete.
12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [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) Observed 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 selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed 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).

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

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14. Obtained 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 selected 5 reimbursements, obtained 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, agreed 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, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

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15. Obtained 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. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observed 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) Observed 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), observed that the original contract terms provided for such an amendment.
  - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

## *Payroll and Personnel*

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16. Obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:
  - a) Observed 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) Observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

## *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained ethics documentation from management, and:
  - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observed 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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21. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

### ***Other***

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23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed 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. Observed 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.

### **Findings:**

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In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Board, Travel and Expense Reimbursement, Contracts, Payroll and Personnel, Debt Service and Other.

No exceptions were found as a result of applying procedures listed above except:

#### **Written Policies:**

The District Attorney does not have written policies and procedures addressing how vendors are added to the vendor list.

The District Attorney does not have written policies and procedures addressing management's action to determine the completeness of all collections for each type of revenue or agency fund additions.

The District Attorney does not have written policies and procedures addressing payroll processing and reviewing and approving time and attendance records.

The District Attorney does not have written policies and procedures addressing how credit cards are to be controlled, the required approvers of credit card statement and who monitors the credit card usage.

The District Attorney does not have written policies and procedures addressing the prohibitions as defined in Louisiana Revised Statute 41:1111-1121 and the requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The District Attorney does not have written policies and procedures addressing Disaster Recovery/Business Continuity.

**Bank Reconciliations:**

We were unable to test if there was evidence that a member of management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date because outstanding items were not dated.

**Collections:**

For six of the ten items tested the receipts were not sequentially pre-numbered.

**Disbursements:**

The District Attorney does not have a written policy in place prohibiting the person responsible for processing payments from adding vendors to the vendors list.

The District Attorney does not have a written policy in place prohibiting the person responsible for processing payments from signing checks.

**Ethics:**

The District Attorney does not have written policies addressing documentation to demonstrate that each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period; therefore, this could not be tested.

**Management's Response:**

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Management of the 12<sup>th</sup> Judicial District Attorney concurs with the exceptions and are working to address the deficiencies identified.

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 results 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.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
September 28, 2020