



March 3, 2021

To the users of this report:

The Louisiana Legislative Auditor (LLA), pursuant to the Audit Law of the State of Louisiana, is issuing the audit report of the District Attorney of the Fourteenth Judicial District (DA) for the fiscal year ended December 31, 2019.

The audit report, performed by a contracted auditor and dated September 21, 2020, notes on pages 6, 16 and 40 that “The Louisiana Legislative Auditor is currently performing an investigation. As of the date of this report, the investigation is not complete and the effect of the investigation on the financial statements is not known.” On February 25, 2021, the LLA issued its investigative report, which included the following findings:

- District Attorney Transferred Funds Received by His Office to a Nonprofit Corporation;
- Certain District Attorney Employees Performed Foundation and Campaign Activities During Work Hours;
- Funds Used for Personal Benefit;
- District Attorney Improperly Modified Court-Ordered Conditions of Misdemeanor Probation by Allowing Defendants to Buyout Community Service Hours;
- District Attorney Failed to Disclose Relationship with the Foundation; and
- Failure to Properly Account for Community Service Buyouts May Have Resulted in Materially Misstated Financial Statements

A copy of the investigative report may be found at the following link:

[http://app.llla.state.la.us/PublicReports.nsf/0/0A34007C9B76E0F18625868700675A91/\\$FILE/00022D5A.pdf?OpenElement&.7773098](http://app.llla.state.la.us/PublicReports.nsf/0/0A34007C9B76E0F18625868700675A91/$FILE/00022D5A.pdf?OpenElement&.7773098)

If you need assistance regarding this audit report, please contact Bradley D. Cryer, Director of Local Government Services at bcryer@lla.la.gov or (225) 339-3880. If you need assistance regarding the investigative report, please contact Roger W. Harris, Director of Investigative Audit at rharris@lla.la.gov or (225) 339-3851.

Sincerely,

A handwritten signature in blue ink that reads "Thomas H. Cole".

Thomas H. Cole, CPA, CGMA
Temporary Legislative Auditor

BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DISTRICT ATTORNEY OF THE FOURTEENTH
JUDICIAL DISTRICT
CALCASIEU PARISH, LOUISIANA
DECEMBER 31, 2019

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REQUIRED SUPPLEMENTAL INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis
December 31, 2019

As management of the District Attorney of the Fourteenth Judicial District, Calcasieu Parish, Louisiana (“District Attorney”), we offer readers of the District Attorney’s financial statements this narrative overview and analysis of the financial activities of the District Attorney for the year ended December 31, 2019. This management discussion and analysis (“MD&A”) is designed to provide an objective and easy to read analysis of the District Attorney’s financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with an analysis of the District Attorney’s short-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District Attorney. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District Attorney’s financial activity, identify changes in the District Attorney’s financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Louisiana Legislative Auditor is currently performing an investigation. As of the date of this report, the investigation is not complete and the effect of the investigation on the financial statements is not known.

As with other sections of this financial report, the information contained in this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (“RSI”) that is provided in addition to this MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District Attorney’s financial statements. The District Attorney’s basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The District Attorney also includes additional information to supplement the basic financial statements.

1. Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers a concise “entity-wide” Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District Attorney’s financial position and results of operations in a manner similar to a private-sector business.

- A. The *Statement of Net Position* presents information on all of the District Attorney’s assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney is improving or weakening.

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis
December 31, 2019

1. Government-Wide Financial Statements – (*Continued*)

Government-Wide Financial Analysis

- B. The Statement of Activities presents information showing how the District Attorney's net assets change during the most recent fiscal year. All changes in assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District Attorney's assets exceeded its liabilities by \$9,141,526 and \$8,705,349 for the years ended December 31, 2019 and 2018, respectively. Of these amounts, \$8,951,553 and \$8,484,243 are unrestricted.

A portion of the District Attorney's net position (2.1% for 2019 and 2.5% for 2018) reflects the investment in capital assets (e.g., equipment, furniture, vehicles, etc.). The District Attorney uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position may be used to meet the District Attorney's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District Attorney is reporting a positive balance in net position.

District Attorney of the Fourteenth Judicial District
 Calcasieu Parish, Louisiana
 Management's Discussion and Analysis
 December 31, 2019

1. Government-Wide Financial Statements – (*Continued*)

Government-Wide Financial Analysis – (*Continued*)

The analysis in Table 1 and Table 2 below focus on the summary of net position and summary of changes in net position for the District Attorney's governmental activities.

Table 1
Summary of Net Position
Governmental Activities

	2019	2018	Increase (Decrease)	Percentage Change
Current and other assets	\$ 9,042,813	\$ 8,584,061	\$ 458,752	5.34%
Capital assets, net	189,973	221,106	(31,133)	-14.08%
Total assets	9,232,786	8,805,167	427,619	4.86%
Current and other liabilities	91,260	99,818	(8,558)	-8.57%
Total liabilities	91,260	99,818	(8,558)	-8.57%
Net position:				
Net investment in capital assets	189,973	221,106	(31,133)	-14.08%
Unrestricted	8,951,553	8,484,243	467,310	5.51%
Total net position	\$ 9,141,526	\$ 8,705,349	\$ 436,177	5.01%

The results of this year's operations for the District Attorney as a whole are reported in the Statement of Activities. Table 2, on the next page details the information from that statement and compares it to fiscal year 2018.

As reported in the Statement of Activities, the cost of all governmental activities this year was \$7,940,109 compared to \$4,956,288 in the prior year.

The Government Activities of the District Attorney include judicial and prosecution activities. Commissions on fines and forfeitures, license fees and enrollment fees fund these government activities.

District Attorney of the Fourteenth Judicial District
 Calcasieu Parish, Louisiana
 Management's Discussion and Analysis
 December 31, 2019

1. Government-Wide Financial Statements – (*Continued*)

Government-Wide Financial Analysis – (*Continued*)

Table 2 below illustrates the District Attorney's major revenue and expenditures related to those functions typically associated with governments.

Table 2
 Summary of Changes in Net Position
 Governmental Activities

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Program revenue:				
Fees, fines and charges for services	\$ 3,321,451	\$ 3,968,409	\$ (646,958)	-16.30%
General revenue:				
Interest earnings	29,484	10,268	19,216	100.00%
Restitution	548,420	1,013,338	(464,918)	-45.88%
Intergovernmental revenues	195,000	190,500	4,500	2.36%
Other revenues	105,418	129	105,289	100.00%
On-behalf payments	<u>4,176,513</u>	<u>-</u>	<u>4,176,513</u>	<u>100.00%</u>
Total revenue	<u>8,376,286</u>	<u>5,182,644</u>	<u>3,193,642</u>	<u>61.62%</u>
Function/Program Expenses:				
Salaries, wages and benefits	4,176,513	-	4,176,513	100.00%
Salaries and benefits paid to Calcasieu Parish	1,515,000	1,724,112	(209,112)	-12.13%
Communications and technology	157,328	101,454	55,874	55.07%
Dues	87,998	79,265	8,733	11.02%
Joint service agreements	106,801	75,169	31,632	42.08%
Legal and other professional	138,552	138,333	219	0.16%
Office	264,111	284,215	(20,104)	-7.07%
Pretrial diversion/Victim assistance programs	804,378	1,107,893	(303,515)	-27.40%
Positive change initiative program	202,679	175,850	26,829	15.26%
Restitution	228,120	995,037	(766,917)	-77.07%
Other expense	-	4,206	(4,206)	-100.00%
Travel and seminars	150,239	149,155	1,084	0.73%
Vehicles	15,008	26,272	(11,264)	-42.87%
Depreciation	93,382	95,327	(1,945)	-2.04%
Total expenses	<u>7,940,109</u>	<u>4,956,288</u>	<u>2,983,821</u>	<u>60.20%</u>
Change in net position	436,177	226,356		
Net position - beginning	<u>8,705,349</u>	<u>8,478,993</u>		
Net position - ending	<u>\$ 9,141,526</u>	<u>\$ 8,705,349</u>		

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis
December 31, 2019

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Attorney can be divided into two categories: governmental funds and fiduciary funds.

- a. Governmental funds are used to account for most of the District Attorney's basic services reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 22 and 24.

- b. Fiduciary funds are used to account for assets that are received and held in trust for other governmental agencies. These funds are from seizures and programs and are disbursed upon order of the court documents or program documents to the governmental agencies or returned to the defendants.

Financial Analysis of the Governmental Funds

The District Attorney's Governmental Funds reported ending fund balances of \$8,951,553, for the year ending 2019 and \$8,484,243, for the year ending 2018. The District Attorney retains a reasonable surplus in the General Fund for unforeseen future emergencies such as natural disasters, decrease in economic conditions, emergency capital outlay requirements, and other similar conditions.

District Attorney of the Fourteenth Judicial District
 Calcasieu Parish, Louisiana
 Management's Discussion and Analysis
 December 31, 2019

3. Capital Assets

The District Attorney's investment in capital assets for its governmental activities as of December 31, 2019 and 2018 amounted to \$189,973 and \$221,106, respectively (net of accumulated depreciation). This investment in capital assets includes equipment, automobiles, furniture, leasehold improvements, and training facilities.

Capital asset additions totaled \$62,249 and \$84,820 and depreciation expense was \$93,382 and \$95,327 for the years ended 2019 and 2018, respectively.

Table 3 below shows the change in capital assets for the year ended December 31, 2019:

Table 3
Capital Assets at Year End

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Governmental activities:			
Transportation equipment	\$ 304,889	\$ 353,191	\$ (48,302)
Furniture and fixtures	268,593	262,850	5,743
Office equipment	1,176,315	1,158,730	17,585
Training course	-	31,979	(31,979)
Leasehold improvements	<u>168,337</u>	<u>168,337</u>	<u>-</u>
Total at historical cost	<u>1,918,134</u>	<u>1,975,087</u>	<u>(56,953)</u>
Less accumulated depreciation:			
Transportation equipment	194,017	223,762	(29,745)
Furniture and fixtures	245,679	237,037	8,642
Office equipment	1,122,487	1,096,290	26,197
Training course	-	31,979	(31,979)
Leasehold improvements	<u>165,978</u>	<u>164,913</u>	<u>1,065</u>
Total accumulated depreciation	<u>1,728,161</u>	<u>1,753,981</u>	<u>(25,820)</u>
Governmental activities capital assets, net			
	<u>\$ 189,973</u>	<u>\$ 221,106</u>	<u>\$ (31,133)</u>

Additional information on the District Attorney's capital assets can be found in Note 5 of this report.

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis
December 31, 2019

4. Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 42 of this report.

5. Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 45 of this report.

- a. Budgetary Comparison Schedules – The District Attorney adopts an annual appropriated budget for the General Fund and Other Major Governmental Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget beginning on page 45.
- b. Analysis of Significant Budget Variances in the General Fund:
 - i. Revenues:
 - 1. Fines, forfeitures, program fees and intergovernmental revenues are estimated during the budget amendment process, which occurs during the month of November. Information regarding actual General Fund revenues becomes available only upon receipt from the disbursing agencies after year-end. Comparison of final budgetary amounts with actual amounts resulted in a favorable variance of \$4,337.177 related to these general revenues due to various sources providing more than anticipated during the budget process.
 - 2. Other revenues, including interest, provided for a favorable final budget variance of \$4,201,178 due to various sources providing more than anticipated income during the budget process.
 - ii. Expenditures:
 - 1. Budget variances for expenditures result from differences between anticipated expenditures and unexpected occurrences during the year.

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis
December 31, 2019

6. Economic Factors and Next Year's Budget

The following factors were considered in preparing the District Attorney's budget for the 2020 fiscal year:

With regards to revenues, it is anticipated that the revenues in the General Fund will decrease approximately 14% due to decreases in pre-trial diversion revenues compared to 2019 and the Special Revenue Fund will decrease approximately 55% compared to 2019.

With regard to expenditures, it is anticipated that the expenditures in the General Fund will decrease approximately 14% due to decrease in legal and professional fees, public service announcement expenses and capital outlay purchases compared to 2019 and the Special Revenue Fund will decrease approximately 43% compared to 2019.

7. Request for Information

This financial report is designed to provide a general overview of the District Attorney's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ginger Ieyoub, 901 Lakeshore Dr, Lake Charles, Louisiana, 70601.

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

Honorable John F. DeRosier
District Attorney of the
Fourteenth Judicial District
Calcasieu Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major and non-major fund and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney of the Fourteenth 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. 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.

Honorable John F. DeRosier
District Attorney of the Fourteenth Judicial District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respect, the respective financial position of the governmental activities, business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information of pages 6 through 13 and 44 and 45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 Louisiana Legislative Auditor is currently performing an investigation. As of the date of this report, the investigation is not complete and the effect of the investigation on the financial statements is not known.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Fourteenth Judicial District's basic financial statements. The schedule of compensation, benefits and other payments to agency head are presented for proposes of additional analysis and is not a required part of the basic financial statements.

This supplementary information is the responsibility of management and is derived from and related 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.

Honorable John F. DeRosier
District Attorney of the Fourteenth Judicial District

In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 21, 2020, on our consideration of the District Attorney of the Fourteenth Judicial District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Fourteenth Judicial District's internal control over financial reporting and compliance.

Douglas Weller, Co., PC

Lake Charles, Louisiana
September 21, 2020

BASIC FINANCIAL STATEMENTS

**DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF NET POSITION
December 31, 2019**

	2019
ASSETS	
Cash and cash equivalents	\$ 1,243,964
Investments	7,761,704
Intergovernmental receivable	11,502
Receivables	15,250
Prepays	10,393
Capital assets, net of accumulated depreciation	189,973
Total Assets	<u>9,232,786</u>
LIABILITIES	
Accounts payable	91,260
Total Liabilities	<u>91,260</u>
NET POSITION	
Invested in capital assets	189,973
Unrestricted	8,951,553
Total Net Position	<u>\$ 9,141,526</u>

See accompanying notes and independent auditors' report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019**

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Judicial/Prosecution	\$ 7,940,109	\$ 7,497,964	\$ -	\$ (442,145)
Total Governmental Activities	<u>\$ 7,940,109</u>	<u>\$ 7,497,964</u>	<u>\$ -</u>	<u>(442,145)</u>
General revenues:				
Interest earnings				29,484
Restitution				548,420
Intergovernmental				195,000
Other revenue				105,418
		Total general revenues and special items		<u>878,322</u>
		Change in net position		436,177
		Net position at beginning of year		<u>8,705,349</u>
		Net position end of year		<u>\$ 9,141,526</u>

See accompanying notes and independent auditors' report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2019**

	Governmental Funds				<u>Special Revenue Funds</u>
	General Fund	Other Major Governmental Fund	Non-Major Governmental Fund	Total	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 896,941	\$ 336,109	\$ 10,914	\$ 1,243,964	
Investments	7,370,647	391,057	-	7,761,704	
Intergovernmental receivable	11,502	-	-	11,502	
Receivables	15,250	-	-	15,250	
Prepaids	10,393	-	-	10,393	
Total Assets	\$ 8,304,733	\$ 727,166	\$ 10,914	\$ 9,042,813	
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 87,510	\$ -	\$ 3,750	\$ 91,260	
Total Liabilities	<u>87,510</u>	<u>-</u>	<u>3,750</u>	<u>91,260</u>	
Fund Balance:					
Assigned	-	727,166	7,164	734,330	
Unassigned	8,217,223	-	-	8,217,223	
Total Fund Balance	<u>8,217,223</u>	<u>727,166</u>	<u>7,164</u>	<u>8,951,553</u>	
Total Liabilities and Fund Balances	\$ 8,304,733	\$ 727,166	\$ 10,914	\$ 9,042,813	

See accompanying notes and independent auditors' report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS - TO THE STATEMENT OF NET POSITION
December 31, 2019**

FUND BALANCE OF GOVERNMENTAL FUNDS	\$ 8,217,223
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital asset used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Those assets consists of:

Cost of capital assets	\$ 1,918,134
Less - accumulated depreciation	<u>(1,728,161)</u>
	<u>189,973</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 8,407,196</u>
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**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended December 31, 2019

	Governmental Funds					
	Special Revenue Funds					
	General Fund	Other Major Governmental Fund	Non-Major Governmental Fund	Total		
Revenues:						
Fines and forfeitures	\$ 2,304,027	\$ -	\$ -	\$ 2,304,027		
Collection fees	-	176,027	-	176,027		
Enrollment fees	361,332	-	-	361,332		
Restitution	-	548,420	-	548,420		
Intergovernmental	-	-	195,000	195,000		
Other forfeitures	480,065	-	-	480,065		
Interest	27,735	1,632	117	29,484		
Intergovernmental revenue:						
Asset forfeiture transfer	103,407	-	-	103,407		
Miscellaneous income	2,011	-	-	2,011		
On-behalf payments:						
State government	1,111,513	-	-	1,111,513		
Parish government	<u>3,065,000</u>	<u>-</u>	<u>-</u>	<u>3,065,000</u>		
Total revenues	<u>7,455,090</u>	<u>726,079</u>	<u>195,117</u>	<u>8,376,286</u>		
Expenditures:						
Current:						
Salaries, wages and benefits	4,176,513	-	-	4,176,513		
Salaries and benefits paid to Calcasieu Parish	1,405,000	110,000	-	1,515,000		
Communications and technology	157,328	-	-	157,328		
Dues, subscriptions and assessments	87,998	-	-	87,998		
Joint service agreements	106,801	-	-	106,801		
Legal and other professional	138,552	-	-	138,552		
Office	264,095	16	-	264,111		
Pretrial diversion/Victim assistance programs	804,378	-	-	804,378		
Positive change initiative program	-	-	202,679	202,679		
Restitution	-	228,120	-	228,120		
Travel and seminars	150,239	-	-	150,239		
Vehicles	15,008	-	-	15,008		
Capital outlay, net of disposals	62,249	-	-	62,249		
Total expenditures	<u>7,368,161</u>	<u>338,136</u>	<u>202,679</u>	<u>7,908,976</u>		
Excess of revenues over expenditures	86,929	387,943	(7,562)	467,310		
OTHER FINANCING SOURCES						
Operating transfers in	50,827	-	-	50,827		
Operating transfers (out)	-	(50,827)	-	(50,827)		
TOTAL OTHER FINANCING SOURCES	<u>50,827</u>	<u>(50,827)</u>	<u>-</u>	<u>-</u>		
Net change in fund balance	137,756	337,116	(7,562)	467,310		
FUND BALANCES - BEGINNING OF PERIOD	<u>8,079,467</u>	<u>390,050</u>	<u>14,726</u>	<u>8,484,243</u>		
FUND BALANCES - END OF PERIOD	<u>\$ 8,217,223</u>	<u>\$ 727,166</u>	<u>\$ 7,164</u>	<u>\$ 8,951,553</u>		

See accompanying notes and independent auditors' report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019**

Total net change in fund balances - governmental fund-per the
Statement of Revenues, Expenditures, and Changes in
Fund Balance

\$ 467,310

Amounts reported for governmental activities in the Statement
of Activities are 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. This is the amount by which capital
outlays exceed depreciation expense in the current period.

Capital asset purchases, net of disposals	62,249
Depreciation expense	<u>(93,382)</u>
	<u>(31,133)</u>
Change in net position of governmental activities	<u>\$ 436,177</u>

See accompanying notes and independent auditors' report.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
December 31, 2019**

	<u>SANE</u>	<u>Bond Forfeiture</u>	<u>Asset Forfeiture</u>	<u>Restitution</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 2,978	\$ 323,505	\$ 8,926	\$ 335,409
Investment	<u>-</u>	<u>-</u>	<u>1,002,666</u>	<u>-</u>	<u>1,002,666</u>
Total Assets	<u>\$ -</u>	<u>\$ 2,978</u>	<u>\$ 1,326,171</u>	<u>\$ 8,926</u>	<u>\$ 1,338,075</u>
LIABILITIES					
Due to other agencies	\$ -	\$ 2,978	\$ 1,326,171	\$ 8,926	\$ 1,338,075
Total Liabilities	<u>\$ -</u>	<u>\$ 2,978</u>	<u>\$ 1,326,171</u>	<u>\$ 8,926</u>	<u>\$ 1,338,075</u>

See accompanying notes and independent auditors' report.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 1 – INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Fourteenth Judicial District (“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, is the legal advisor to the grand jury, and 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 Fourteenth Judicial District encompasses the parish of Calcasieu, Louisiana.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District Attorney have been prepared in conformity with governmental accounting principles generally accepted (“GAAP”) in the United States of America. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

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

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

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

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. REPORTING ENTITY – (Continued)

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

The Police Jury's financial statements would be misleading if data of the District Attorney were not included because of the nature or significance of the relationship, the District Attorney was determined to be a component unit of the Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Police Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

This District Attorney's basic financial statements include both government-wide and fund financial statements.

A. *Government-Wide Financial Statements*

The District Attorney's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District Attorney accompanied by a total column, which are considered to be governmental activities. Fiduciary activities of the District Attorney are not included in these statements. They are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District Attorney's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

A. *Government-Wide Financial Statements – (Continued)*

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District Attorney are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

B. *Governmental Fund Financial Statements*

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Attorney's functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District Attorney are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District Attorney or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten percent of the corresponding total for all governmental funds.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District Attorney has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District Attorney, are

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

B. *Governmental Fund Financial Statements – (Continued)*

fines and forfeitures, collection fees, enrollment fees, and other forfeitures. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Funds of the District Attorney are as follows:

Governmental Fund Types:

General Fund

The primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be account for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District Attorney's policy.

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the District Attorney to be accounted for separately. The special revenues funds of the District Attorney consist of the following:

Special Revenue Major Governmental Fund

The Worthless Check Collection Fee Fund - consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney but may not be used to supplement the salary of the District Attorney.

Special Revenue Non-Major Governmental Fund

The Positive Change Fund - consists of a cooperative endeavor agreement entered into between the District Attorney, the Calcasieu Parish School Board, the City of Lake Charles, the Police Jury, and the Calcasieu Parish Sheriff's Office. The District Attorney implemented the program to protect, educate and counsel at risk youth of middle school age and their families/guardians from and in reference to the dangers of delinquent behavior.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

B. *Governmental Fund Financial Statements – (Continued)*

Fiduciary Fund Type:

Custodial Funds

The custodial funds are used to account for assets held by the District Attorney as an agent for other funds and/or other governments. Custodial Funds (assets equal liabilities) do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets. These funds are used to account for bond forfeitures, asset forfeitures for drug money seizures and gambling, restitution and the SANE program until such time as the court orders disposition of such funds to various agencies as required by law or according to the program documents. Also, from time to time, the drug fund may be used to hold money as evidence until such time as the seizing agency requests the money for its purposes.

D. BUDGET PRACTICE

The District Attorney utilizes the following budget practices:

1. Formal budgeting integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles.
2. On December 1st of each year, a budget for the subsequent year is prepared for the general fund and the special revenue funds.
3. The District Attorney approves the budgets and it is available for public inspection no later than fifteen days prior to the beginning of the calendar year.
4. Any budgetary amendments must be approved by the District Attorney. During the year an amendment was made to the original budgets and is reflected in the budget comparison.
5. All budgetary appropriations lapse at year end.
6. The District Attorney does not use encumbrance accounting in the General Fund or Special Revenue Funds.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

F. INVESTMENTS

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates.

The District Attorney's investment program is authorized and limited by state statute to purchases of certificates, securities issued or guaranteed by the U.S. government and its agencies or instrumentalities, participation in the Louisiana Asset Management Pool ("LAMP") and participation in the Certificate of Deposit Account Registry Service ("CDARS"). These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

LAMP is a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operated a local governmental investment pool equivalent to a money market fund. LAMP invests in short-term instruments as permitted by statute. CDARS is an investment vehicle providing full FDIC insurance for the purchase of nonnegotiable certificates of deposit.

Investments are reported at fair value except for LAMP investments which are stated at the net asset value per share as determined by the pool and CDARS which are non-participating interest earning contracts that are reported at cost. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments in time deposits are stated at cost, which approximates market.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

G. CAPITAL ASSETS – (Continued)

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

Transportation equipment	5 years
Furniture and fixtures	5-7 years
Office equipment	3-7 years
Training course	7 years
Leasehold improvements	7-10 years

Capital assets used in the District Attorney's office (governmental fund type operations) acquired by the Police Jury are accounted for by the Police Jury.

H. ESTIMATES

The preparation of financial statements in conformity with GAAP 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. EQUITY CLASSIFICATION

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

- a. Invested in capital assets, net of related debt – 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 that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

J. FUND EQUITY

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District Attorney is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by 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 resolutions approved by the District Attorney.
- Assigned: This classification includes amounts that are constrained by the District Attorney's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Attorney or through the District Attorney delegating this responsibility to the District Attorney's manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes the residual fund balance for the General Fund

The District Attorney typically use restricted fund balances first, followed by committed, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

K. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

In January 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 84, "*Fiduciary Activities*." GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASB No. 84 replaces *agency*

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

K. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT – (Continued)

funds with *custodial funds*, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the District Attorney for periods beginning after December 15, 2018, with earlier application encouraged. This standard did not have a material impact on our net position or change in net position.

L. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In June 2017, the Governmental Accounting Standards Board (GASB) approved Statement No. 87, “Leases.” The objective of this Statement is to establish a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of GASB No. 87 must be implemented by the District Attorney for periods beginning after June 15, 2021, with earlier application encouraged. The effect of implementation of the statement of the District Attorney's financial statements has not yet been determined.

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2019, the District Attorney has cash and cash equivalents (book balances) as follows:

	Government-wide Statement of Net Assets		Fiduciary Funds Statement of Assets and Liabilities		Total
	\$	1,243,964	\$	335,409	\$
Demand deposits					1,579,373

The District Attorney does not have a policy for custodial credit risk, however, under state laws, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank (GASB Category 3) in a holding or custodial bank that is mutually acceptable to both parties.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 3 – CASH AND CASH EQUIVALENTS – (Continued)

The deposits (bank balance) and at December 31, 2019, were secured as follows:

Demand deposits	\$ 1,651,471	Federal Deposit Insurance	\$ 251,882
	<hr/>	Pledge Securities	<hr/>
	<hr/> <u>\$ 1,651,471</u>		<hr/> <u>1,504,644</u>
			<hr/> <u>\$ 1,756,526</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 – INVESTMENTS

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of the investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The District Attorney's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to the liquidation of securities prior to maturity, especially in rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District Attorney will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agency but not in the name of the District Attorney.

The following chart presents the investment position of the District Attorney as of December 31, 2019. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 4 – INVESTMENTS – (Continued)

Investment	Insured or collateralized with securities held by the entity's agent or the pledging institution's trust department in the entity's name	All investments- reported amount	All investments- fair value
<i>Government-wide Statement of Net Assets</i>			
U.S. Agency Obligations	\$ -	\$ 3,132,641	\$ 3,132,641
LAMP	-	1,577,758	1,577,758
Certificate of Deposit	544,690	544,690	544,690
CDARS	2,506,615	2,506,615	2,506,615
	<u>\$ 3,051,305</u>	<u>\$ 7,761,704</u>	<u>\$ 7,761,704</u>
<i>Fiduciary Funds Statement of Assets and Liabilities</i>			
LAMP	\$ -	\$ 1,002,666	\$ 1,002,666
<i>Total</i>	<u>\$ 3,051,305</u>	<u>\$ 8,764,370</u>	<u>\$ 8,764,370</u>

There were no amounts uninsured or unregistered held by the counterparty and there were no uninsured or unregistered balances held by the counterparty's trust department or agency but not in the entity's name as of December 31, 2019.

Investments, classified by maturity dates, at December 31, 2019 are summarized below:

Investment	Fair Value	0-1 Years Before Maturity	1-5 Years Before Maturity
U.S. Agency Obligations	\$ 3,132,641	\$ -	\$ 3,132,641
LAMP	2,580,424	2,580,424	-
Certificate of Deposit	544,690	-	544,690
CDARS	2,506,615	2,005,552	501,063
	<u>\$ 8,764,370</u>	<u>\$ 4,585,976</u>	<u>\$ 4,178,394</u>

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 4 – INVESTMENTS – (Continued)

The District Attorney categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District Attorney utilized the market based approach for determining the fair value of investments which utilizes a combination of quoted market prices, market multiples techniques and a matrix of pricing technique that relies on securities' relationship to other benchmark quoted securities.

The District Attorney has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level:

U.S. Agency Obligations (Level 2)	\$ 3,132,641
Certificate of Deposit (Level 1)	<u>544,690</u>
Subtotal for Investments by Fair Value	<u>3,677,331</u>

Investments Excluded from Fair Value Assessment:

LAMP (Rule 2a7 Like Pool (Net Asset Value))	\$ 2,580,424
CDARS (Non-participating Interest Earning Contract- Cost)	<u>2,506,615</u>
Subtotal for Investments Excluded from Fair Value Assessment	<u>5,087,039</u>
Total for Investments	<u>8,764,370</u>

In accordance with GASB Codification Section 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in a pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 4 – INVESTMENTS – (Continued)

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit Risk: LAMP is rated AAA by Standard and Poor's.
- Custodial Credit Risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 90 days as of December 31, 2019.
- Foreign Currency Risk: Not applicable to 2a7-like pools.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The Clerk of Court places no limit on the amount invested in any one financial institution.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 5 – CAPITAL ASSETS

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

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental activities:				
Transportation equipment	\$ 353,191	\$ 38,921	\$ (87,223)	\$ 304,889
Furniture and fixtures	262,850	5,743	-	268,593
Office equipment	1,158,730	17,585	-	1,176,315
Training course	31,980	-	(31,980)	-
Leasehold improvements	168,337	-	-	168,337
Total at historical cost	<u>1,975,088</u>	<u>62,249</u>	<u>(119,203)</u>	<u>1,918,134</u>
Less accumulated depreciation:				
Transportation equipment	223,762	57,478	(87,223)	194,017
Furniture and fixtures	237,037	8,642	-	245,679
Office equipment	1,096,290	26,197	-	1,122,487
Training course	31,980	-	(31,980)	-
Leasehold improvements	164,913	1,065	-	165,978
Total accumulated depreciation	<u>1,753,982</u>	<u>93,382</u>	<u>(119,203)</u>	<u>1,728,161</u>
Governmental activities capital assets, net	<u>\$ 221,106</u>	<u>\$ (31,133)</u>	<u>\$ -</u>	<u>\$ 189,973</u>

Depreciation was charged to governmental functions in the amount of \$93,382 for the year ended December 31, 2019. The entity had no infrastructure assets as of December 31, 2019.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 6 – LEASES

The District Attorney has leased equipment, which are classified as operating leases. Lease expense for the year ended December 31, 2019 was \$55,500. Future minimum lease payments over the remaining terms of the leases are as follows:

Year Ending	Lease Payments
2020	\$ 143,436
2021	129,131
2022	126,877
2023	117,676
2024	88,029
	<hr/> <u>\$ 605,149</u>

NOTE 7 – CONTINGENCIES AND COMMITMENTS

At December 31, 2019, the District Attorney of the Fourteenth Judicial District was involved in pending litigation for which unfavorable outcomes are unlikely.

The Louisiana Legislative Auditor is currently performing an investigation. As of the date of this report, the investigation is not complete and the effect of the investigation on the financial statements is not known.

NOTE 8 – RELATED PARTY TRANSACTIONS

The District Attorney reimburses the Police Jury for the cost of providing the District Attorney with salaries, payroll taxes, insurances, use of building and other services as requested by the Police Jury. Amounts reimbursed to the Police Jury are quasi-external transactions, and as such, are expensed during the period incurred. Amounts reimbursed to the Police Jury for the year ended December 31, 2019 was \$1,515,000.

NOTE 9 – ON-BEHALF PAYMENTS

GASB Statement No. 24, *Accounting for Financial Reporting for Certain Grants and Other Financial Assistance*, requires the District Attorney to report and disclose in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana.

Employees receive payments directly from the State of Louisiana and the Calcasieu Parish Government for salaries, payroll taxes, health insurance, unemployment benefits, retirement plan contributions and worker's compensation. Salaries paid to these employees totaled \$4,176,513.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

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

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the criminal court, the Police Jury, or directly by the state.

Expenditures classified as “Overhead paid to Police Jury” recorded in the accompanying basic financial statements in the General Fund and Special Revenue Funds are reimbursements of certain overhead costs such as salaries and related benefits and other items paid by the Police Jury Criminal Court Fund.

NOTE 11 – CHANGES IN CUSTODIAL FUND BALANCES

A summary of changes in custodial fund unsettled deposits follows:

	SANE Fund	Bond Forfeiture Fund	Asset Forfeiture Fund	Restitution Fund	Total
Unsettled deposits beginning of year	\$ -	\$ 16,702	\$ 1,180,290	\$ 72,248	\$ 1,269,240
Deposits	101,000	125,594	2,784,319	244,004	3,254,917
Disbursements	(101,000)	(139,318)	(2,638,438)	(307,326)	(3,186,082)
Unsettled deposits end of year	\$ -	\$ 2,978	\$ 1,326,171	\$ 8,926	\$ 1,338,075

NOTE 12 – RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 13 – SUBSEQUENT EVENTS

The outbreak of the novel coronavirus has adversely impacted and caused disruption in our economy. The outbreak could have a continued material adverse impact on the economic and market conditions. As of the date of these financials, the District Attorney's office is not able to predict the ultimate material adverse impact of the coronavirus. Nevertheless, the coronavirus presents material risk with respect to the Entity, its performance and its financial statements.

The District Attorney is suspending the intergovernmental agreements which established the Local Agency Compensation Enforcement (LACE) detail with Louisiana State Police, Lake Charles Police Department and Sulphur Police Department commencing on January 1, 2020. Approximately \$1.7 and \$2.3 million fines and forfeiture revenues and approximately \$0.8 and \$1.0 million expenses related to the LACE program for the years ended December 31 2019 and 2018, respectively. The District Attorney plans to introduce a new program in 2020.

On August 27, 2020, Hurricane Laura made landfall in Southwest Louisiana. As a result, there was significant damage across the region. The financial impact of this event on the Entity has yet to be determined.

Management of the District Attorney has evaluated subsequent events through the date of the independent auditors' report, which is the date the financials were available to be issued. Other than the events disclosed above, the District Attorney is not aware of any subsequent events which required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
General:				
Fines and forfeitures	\$ 2,287,000	\$ 2,197,558	\$ 2,304,027	\$ 106,469
Enrollment fees	425,000	370,000	361,332	(8,668)
Other forfeitures	200,000	440,000	480,065	40,065
Interest	3,500	10,355	27,735	17,380
Other:				
Intergovernmental revenue	-	100,000	103,407	3,407
Miscellaneous income	-	-	2,011	2,011
On-behalf payments:				
State government	-	-	1,111,513	1,111,513
Parish government	-	-	3,065,000	3,065,000
Total revenues	<u>2,915,500</u>	<u>3,117,913</u>	<u>7,455,090</u>	<u>4,337,177</u>
Expenditures:				
Current:				
Salaries, wages and benefits	-	-	4,176,513	(4,176,513)
Salaries and benefits paid to Calcasieu Parish Police Jury	1,550,000	1,379,000	1,405,000	(26,000)
Communications and technology	83,000	93,850	157,328	(63,478)
Dues	100,000	107,163	87,998	19,165
Joint service agreements	110,000	270,640	106,801	163,839
Legal and other professional	159,500	88,503	138,552	(50,049)
Office	323,850	337,142	264,095	73,047
Pretrial diversion/Victim assistance programs	729,000	681,763	804,378	(122,615)
Travel and seminars	161,000	150,000	150,239	(239)
Vehicles	30,000	58,922	15,008	43,914
Capital outlay	-	-	62,249	(62,249)
Total expenditures	<u>3,246,350</u>	<u>3,166,983</u>	<u>7,368,161</u>	<u>(4,201,178)</u>
Excess (deficiency) of revenues over expenditures	(330,850)	(49,070)	86,929	135,999
OTHER FINANCING SOURCES				
Operating transfers in	-	50,000	50,827	(827)
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>50,000</u>	<u>50,827</u>	<u>(827)</u>
Net change in fund balance	(330,850)	930	137,756	135,999
FUND BALANCES - BEGINNING OF PERIOD	<u>8,079,467</u>	<u>8,079,467</u>	<u>8,079,467</u>	<u>-</u>
FUND BALANCES - END OF PERIOD	<u>\$ 7,748,617</u>	<u>\$ 8,080,397</u>	<u>\$ 8,217,223</u>	<u>\$ 135,999</u>

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**OTHER MAJOR GOVERNMENTAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Collection fees	\$ 200,000	\$ 176,237	\$ 176,027	\$ (210)
Restitution	200,000	540,800	548,420	7,620
Interest	300	600	1,632	1,032
Total revenues	<u>400,300</u>	<u>717,637</u>	<u>726,079</u>	<u>8,442</u>
Expenditures:				
Current:				
Office	50	1,237	16	1,221
Overhead paid to Calcasieu Parish				
Police Jury	110,000	110,000	110,000	-
Restitution	200,000	220,500	228,120	(7,620)
Other	-	-	-	-
Total expenditures	<u>310,050</u>	<u>331,737</u>	<u>338,136</u>	<u>(6,399)</u>
Excess of revenues over expenditures	90,250	385,900	387,943	2,043
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	-	(50,000)	(50,827)	827
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(50,000)</u>	<u>(50,827)</u>	<u>827</u>
Excess of revenues and other sources over expenditures and other sources (uses)	90,250	335,900	337,116	2,870
FUND BALANCES - BEGINNING OF PERIOD	<u>390,050</u>	<u>390,050</u>	<u>390,050</u>	<u>-</u>
FUND BALANCES - END OF PERIOD	<u>\$ 480,300</u>	<u>\$ 725,950</u>	<u>\$ 727,166</u>	<u>\$ 2,043</u>

SUPPLEMENTAL INFORMATION

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
For the Year Ended December 31, 2019

Agency Head Name: John F. DeRosier

Purpose	Amount
Salary	\$ 198,389
Benefits - insurance	18,460
Benefits - retirement	7,895
Benefits- other	324
Auto insurance	1,853
Auto maintenance	270
Cellular and internet services	4,420
Dues and subscriptions	435
Fuel	2,125
Travel, meals and lodging	4,451
Special meals	245
Other	265
Registration	1,722
Vehicle	1,000
	<u>\$ 241,854</u>

COMPLIANCE AND INTERNAL CONTROL



Langley, Williams & Company, L.L.C.

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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*

Honorable John F. DeRosier
District Attorney of the
Fourteenth Judicial District
Calcasieu Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated September 21, 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 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 over financial reporting 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan that we consider to be significant deficiencies.

Item 01 – 19 (IC)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

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

District Attorney's response to the findings identified in our audit is described in the accompanying Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan. District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Loyd, Wilken & Co., PLLC

Lake Charles, Louisiana
September 21, 2020

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT
FINDINGS AND CORRECTIVE ACTION PLAN

December 31, 2019

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiency identified not considered
to be material weaknesses?

Yes None reported

Noncompliance material to financial statements
noted?

Yes No

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
Parish of Calcasieu, Louisiana
Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2019

SECTON II - FINANCIAL STATEMENT FINDINGS

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Current year (12/31/19)

Internal Control:

01 -19 (IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Calcasieu Parish District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered	Ginger Ieyoub	NA
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Compliance:

There were no matters involving compliance to be reported.

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
Parish of Calcasieu, Louisiana
Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2018

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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Prior year (12/31/18)

Internal Control:

01 -18 (IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Calcasieu Parish District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered	Ginger Ieyoub	NA
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Compliance:

There were no matters involving compliance to be reported.



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District Attorney of the Fourteenth Judicial District
Lake Charles, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of District Attorney of the Fourteenth Judicial District as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District Attorney of the Fourteenth Judicial District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Fourteenth Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of District Attorney of the Fourteenth 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of the following matter, which we believe represent opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are set forth below. The District Attorney of the Fourteenth Judicial District's response to the matter identified below were not subjected to auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it. This letter does not affect our reports dated September 21, 2020, on the financial statements, compliance and internal controls of the District Attorney of the Fourteenth Judicial District.

MLC 2020-01- Budget

Criteria/Condition: The December 31, 2019 amended budgeted revenues were under and expenditures were over the 5% threshold compared to actual results due to the fact that on-behalf payment revenues and expenditures for salaries and benefits were not included in the amended budget.

Recommendation: We recommend that the District Attorney implement a procedure whereby the District Attorney includes all on-behalf revenues and expenditures for salaries and benefits in the budget.

Management's Response: *The District Attorney plans to include the on-behalf revenues and expenditures for salaries and benefits in the budget going forward.*

This communication is intended solely for the information and use of management of District Attorney of the Fourteenth Judicial District, others within entity, and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Langley Williams & Co., LLC

Langley, Williams & Co., LLC

Lake Charles, LA

September 21, 2020



Langley, Williams & Company, L.L.C.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

District Attorney of the Fourteenth Judicial District
Calcasieu Parish
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fourteenth Judicial District's Office ("DA") 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 from 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

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.

Exception: No disaster recovery/business continuity policies other than a policy for storage of backups.

Management's response: Although the formal written policies and procedures do not address several items noted above, management asserted that these processes are in place. These written policies and procedures are in the process of being developed to address the excluded disaster recovery/business continuity policy and procedure.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The entity does not have a board or finance committee. The District Attorney is an elected official responsible for all oversight of the entity; therefore, this procedure is not applicable.

- 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.

The entity does not have a board or finance committee. The District Attorney is an elected official responsible for all oversight of the entity; therefore, this procedure is not applicable.

- c) For governmental entities, obtain the prior year audit report and observe 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.

Per the prior year audit report the unrestricted fund balance in the general fund did not have a negative ending balance; therefore, making this procedure not applicable.

Bank Reconciliations

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

We obtained a list of bank accounts from management and management's representation that the list was complete.

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

There were no exceptions noted as a result of applying this procedure.

- 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

Exception: No evidence of bank reconciliations reviewed.

Management's response: Management asserted that they are reviewing the bank reconciliations. Bank statements are reviewed and approved via signature prior to the bank reconciliation being prepared. Also, all cash disbursements are reviewed and approved prior to payment via signature.

- 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.

There were no exceptions noted as a result of applying this procedure.

Collections

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

Obtained a listing of all deposit sites for the fiscal period and management's representation that the listing is complete.

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

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

There were no exceptions noted as a result of this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

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

Exception: No person responsible for collecting cash is bonded or covered by an insurance policy for theft.

Management's response: Since collections are required to be in the form of money orders, cashier's checks or online payments, management does not believe the benefit of bonding employees would justify the cost due to the limited risks.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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).

Exception: One selection tested was not deposited within one day of collection, the collection was deposited in two days. As we were only able to determine the date of deposit and not the date of collection for two selections, we were not able to perform the procedure.

Management's response: The late deposit exception was prior to the implementation of the new policies and procedures written by management requiring all deposits to be made within one day. Going forward, the finance department will stamp all collections to evidence the date of collections.

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

There were no exceptions noted as a result of applying this procedure.

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).

Per discussion with management, we noted only one location processes payments for the fiscal period.

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

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

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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

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

We obtained a listing of active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each

card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

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

There were no exceptions noted as a result of applying this procedure.

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

There were no exceptions noted as a result of applying this procedure.

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).

There were no exceptions noted as a result of applying this procedure.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete.

- 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).

There were no exceptions noted as a result of applying this procedure.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

There were no exceptions noted as a result of applying this procedure.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

There were no exceptions noted as a result of applying this procedure.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions noted as a result of applying this procedure.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities from management and management's representation that the listing is complete.

- 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.

None of the selected contracts are subject to bid law; therefore, this procedure is not applicable.

- 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).

There were no exceptions noted as a result of applying this procedure.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

There were no amendments during the fiscal period; therefore, this procedure is not applicable.

- 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.

There were no exceptions noted as a result of applying this procedure.

Payroll and Personnel

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

We obtained a listing of employees and management's representation that the listing is complete. Per discussion with management, all employees of the DA are paid through the Calcasieu Parish Police Jury; therefore, the DA does not process or record payroll expenses.

Through discussion with management of the Calcasieu Parish Policy Jury and their external auditors, the employees of the DA are included in their population for payroll and personnel SAUP testwork.

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.)

Not applicable as the DA does not process or record payroll expenses.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Not applicable as the DA does not process or record payroll expenses.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Not applicable as the DA does not process or record payroll expenses.

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

Not applicable as the DA does not process or record payroll expenses.

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

Not applicable as the DA does not process or record payroll expenses.

Ethics

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

There were no exceptions noted as a result of applying this procedure.

- 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.

There were no exceptions noted as a result of applying this procedure.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No debt was issued during the fiscal period. Therefore, this procedure is not applicable.

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.

No debt was issued during the fiscal period. Therefore, this procedure is not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

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.

The DA has posted on its premises and website the notice required by R.S. 24:523.1.

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.



Langley, Williams & Co. LLC

Lake Charles, Louisiana

September 21, 2020