

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

Financial Report

Year Ended December 31, 2017

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	5
Statement of Activities	6
 FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	8
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Combining Statement of Fiduciary Assets and Liabilities	12
Notes to Basic Financial Statements	13-27
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules:	
General Fund	29
Title IV-D Fund	30
Notes to Budgetary Comparison Schedules	31
Schedule of Employer's Share of Net Pension Liability	32
Schedule of Employer Contributions	33
Notes to Retirement System Schedules	34
 INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	36-37
Summary schedule of current and prior year audit findings and management's corrective action plan	38-39

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

## INDEPENDENT AUDITOR'S REPORT

WWW.KCSRPCAS.COM

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Twelfth Judicial District ("District Attorney"), Avoyelles Parish, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney as of December 31, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 29 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

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

Alexandria, Louisiana  
June 29, 2018

## **BASIC FINANCIAL STATEMENTS**

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Statement of Net Position  
December 31, 2017

ASSETS	
Cash and interest-bearing deposits	\$ 32,109
Receivables -	
Commissions on fines and forfeitures	167,587
Grants	2,500
Capital assets, net	<u>556,854</u>
Total assets	<u>759,050</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions	<u>259,895</u>
LIABILITIES	
Accounts payables	22,889
Accrued liabilities	16,614
Due to other governments	99
Net pension liability	<u>227,960</u>
Total liabilities	<u>267,562</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	<u>86,537</u>
NET POSITION	
Net investment in capital assets	556,854
Unrestricted	<u>107,992</u>
Total net position	<u>\$ 664,846</u>

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



**FUND FINANCIAL STATEMENTS (FFS)**

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2017

	General	Title IV-D	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 32,109	\$ -	\$ 32,109
Receivables, net			
Commissions on fines and forfeitures	144,619	22,968	167,587
Grants	2,500	-	2,500
Due from other funds	22,968	-	22,968
Total assets	\$ 202,196	\$ 22,968	\$ 225,164
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 22,889	\$ -	\$ 22,889
Accrued liabilities	16,614	-	16,614
Due to other funds	-	22,968	22,968
Due to other governments	99	-	99
Total liabilities	39,602	22,968	62,570
<b>Fund balance:</b>			
Unassigned	162,594	-	162,594
Total liabilities and fund balances	\$ 202,196	\$ 22,968	\$ 225,164

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2017

Total fund balances for governmental funds	\$ 162,594
Capital assets, net	556,854
Long-term liabilities:	
Net pension liability	(227,960)
Deferred outflows of resources related to net pension liability	259,895
Deferred inflows of resources related to net pension liability	<u>(86,537)</u>
Net position at December 31, 2017	<u>\$ 664,846</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds

For the Year Ended December 31, 2017

	<u>General</u>	<u>Title IV-D</u>	<u>Total</u>
<b>Revenues:</b>			
Fees, services, and commissions	\$ 845,930	\$ -	\$ 845,930
Intergovernmental revenues-			
Federal	30,165	286,386	316,551
State	27,500	-	27,500
Local	44,552	-	44,552
On-behalf payments	657,541	-	657,541
Other revenues	<u>23,370</u>	<u>-</u>	<u>23,370</u>
Total revenues	<u>1,629,058</u>	<u>286,386</u>	<u>1,915,444</u>
<b>Expenditures:</b>			
Current -			
General government - judicial			
Personnel services and related benefits	1,262,309	224,335	1,486,644
General insurance	6,641	3,229	9,870
Association dues	65,361	3,338	68,699
Conventions and meetings	8,840	467	9,307
Miscellaneous	43,096	5,018	48,114
Office supplies	22,869	19,743	42,612
Postage	7,253	975	8,228
Professional services	122,701	5,733	128,434
Repairs and maintenance	15,870	1,853	17,723
Rental expense	-	17,445	17,445
Utilities	18,674	4,250	22,924
Capital outlay	<u>8,730</u>	<u>-</u>	<u>8,730</u>
Total expenditures	<u>1,582,344</u>	<u>286,386</u>	<u>1,868,730</u>
Net change in fund balances	46,714	-	46,714
Fund balance, beginning	<u>115,880</u>	<u>-</u>	<u>115,880</u>
Fund balance, ending	<u>\$ 162,594</u>	<u>\$ -</u>	<u>\$ 162,594</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2017

Total net change in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 46,714
Capital assets:		
Capital outlay	\$ 8,730	
Depreciation expense	<u>(34,088)</u>	(25,358)
Effect of the change in net pension liability, deferred outflows/inflows of resources:		
Increase in pension expense	(78,900)	
Nonemployer pension contribution revenue recognized	<u>55,241</u>	<u>(23,659)</u>
Total change in net position per Statement of Activities		<u>\$ (2,303)</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Combining Statement of Fiduciary Assets and Liabilities  
Agency Fund  
December 31, 2017

	<u>Asset Forfeiture</u>
ASSETS	
Cash	<u>\$ 10,504</u>
LIABILITIES	
Due to others	<u>\$ 10,504</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

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

Fund Financial Statements (FFS)

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

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

The District Attorney reports the following major governmental funds:

General Fund –

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

Special Revenue Fund –

The Title IV-D Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by ACT 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

In addition, the District Attorney reports the following funds:

Fiduciary Fund –

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

The District Attorney's fiduciary fund is presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the District Attorney, this fund is not incorporated into the government-wide statements.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

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

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

Program revenues

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

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District Attorney.

Receivables

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

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term cash borrowings between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Interfund receivables and payable between funds within governmental activities are eliminated in the statement of net position.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate of one day per calendar month of employment and may not exceed twenty days. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. At December 31, 2017, the District Attorney has no accumulated leave benefits required to be reported.

Deferred Outflows or Resources and Deferred Inflows of Resources

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

Equity Classifications

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District Attorney. The District Attorney is the highest level of decision-making authority for the District Attorney’s office.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District Attorney’s adopted policy, only the District Attorney may assign amounts for specified purposes.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District Attorney considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in his commitment or assignment actions.

E. Interfund Transfers

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

F. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the District Attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District Attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Attorney's deposits may not be recovered or the District Attorney will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District Attorney or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2017 were fully insured and therefore not exposed to custodial credit risk.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

(4) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 76,500	\$ -	\$ -	\$ 76,500
Capital assets being depreciated -				
Building and improvements	860,091	-	-	860,091
Furniture and equipment	<u>215,879</u>	<u>8,730</u>	<u>78,238</u>	<u>146,371</u>
Total	<u>1,152,470</u>	<u>8,730</u>	<u>78,238</u>	<u>1,082,962</u>
Less accumulated depreciation -				
Buildings and improvements	374,609	22,054	-	396,663
Furniture and equipment	<u>195,649</u>	<u>12,034</u>	<u>78,238</u>	<u>129,445</u>
Total	<u>570,258</u>	<u>34,088</u>	<u>78,238</u>	<u>526,108</u>
Governmental activities, capital assets, net	<u>\$ 582,212</u>	<u>\$ (25,358)</u>	<u>\$ -</u>	<u>\$ 556,854</u>

Depreciation expense of \$34,088 was charged to the judiciary function.

(5) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Agency Fund:				
Asset Forfeiture Fund	<u>\$ 29,565</u>	<u>\$ 3,822</u>	<u>\$ 22,883</u>	<u>\$ 10,504</u>

(6) Employee Retirement Systems

The District Attorney participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all District Attorney employees participate in one of the following retirement systems:

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

**Plan Descriptions:**

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

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

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

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

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

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

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

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended December 31, 2017 for the defined benefit pension plans in which the District Attorney is a participating employer were as follows:

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Non-employer Contributing Entities</u>	<u>Amount of District Attorney Contributions</u>
PERS	3.00%	8.00%	\$ 6,258	\$ 40,863
DARS	8.00%	0.00%	48,983	-

**Net Pension Liability**

The District Attorney's net pension liability at December 31, 2017 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the District Attorney is a participating employer. The District Attorney's net pension liability for each plan was measured as of the plan's measurement date (December 31, 2016 for PERS and June 30, 2017 for DARS) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportionate share of the net pension liability for each of the plans in which it participates was based on the District Attorney's required contributions in proportion to total required contributions for all employers.

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

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
PERS	\$ 67,222	0.517458%	-0.026946%
DARS	<u>160,738</u>	0.595941%	-0.021955%
Total	<u>\$ 227,960</u>		

Since the measurement date of the net pension liability was December 31, 2016 for PERS and June 30, 2017 for DARS, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District Attorney's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

**Actuarial Assumptions**

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

	PERS	DARS
Date of experience study on which significant assumptions are based	1/1/2010 - 12/31/2014	7/1/2009 - 6/30/2014
Expected remaining service lives	4	7
Inflation Rate	2.50%	2.5%
Projected salary increases	2.75%	3.0%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5)

- (1) RP-2000 Employee Sex Distinct Table for selected employees
- (2) RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
- (3) RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries
- (4) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females
- (5) RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Table Projected to 2032

for males using Scale AA and set back 1 year and Projected to 2032 for females using Scale AA.

**Cost of Living Adjustments**

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

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

**Discount Rate**

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

	PERS	DARS
Discount rate	7.00%	6.75%
Change in discount rate from prior valuation	-	(0.25%)
Plan cash flow assumptions	(1)	(1)
Rates incorporated in the Discount Rate:		
Long-term Rate of Return	7.66%	9.06%
Periods applied	All	All
Municipal Bond Rate	N/A	N/A

**\*Plan Cash Flow Assumptions:**

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

The discount rates used to measure the District Attorney’s total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For DARS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. For PERS, the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

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

Asset Class	PERS		DARS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35.0%	1.24%	29.0%	6.84%
Equities	52.0%	3.63%	61.7%	11.31%
Alternative Investments	11.0%	0.67%	8.8%	10.50%
Real Assets	2.0%	0.12%	0.5%	0.50%
Total	100%		100%	

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2017, the District Attorney recognized \$119,768 in pension expense related to all defined benefit plans in which it participates.

At December 31, 2017, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 61,445
Changes of assumptions	80,084	18,969
Net difference between projected and actual earnings on pension plan investments	131,620	-
Change in proportion and differences between employer contributions and proportionate share of contributions	7,328	6,123
Employer contributions subsequent to the measurement date	40,863	-
Total	<u>\$ 259,895</u>	<u>\$ 86,537</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

Deferred outflows of resources of \$40,863 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2018	\$ 21,855
2019	58,679
2020	34,384
2021	2,510
2022	7,372
2023	7,695
	\$ 132,495

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
PERS	7.00%	\$ 255,559	\$ 67,222	\$ (91,761)
DARS	6.75%	459,330	160,738	(92,993)
Total		\$ 714,889	\$ 227,960	\$ (184,754)

(7) Risk Management

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

(8) On-Behalf Payments for Fringe Benefits and Salaries

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

Supplemental salary payments are made by the state and the parish government directly to the District Attorney and to the Assistant District Attorneys. The District Attorney's office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. On-behalf payments recorded as revenue and expenditures in the 2017 financial statements are as follows:

General Fund:

State of Louisiana	\$ 373,000
Avoyelles Parish Police Jury	284,541
Total on-behalf payments	\$ 657,541

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

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

Purpose	Amount
Salary	\$ 96,044
Benefits - insurance	11,323
Cell Phone	2,056
Per Diem	710
Conference travel	2,344
Reimbursements	99
Total	\$ 112,576

(10) Litigation

At December 31, 2017, there is no litigation pending against the District Attorney.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees, services, and commissions	\$ 938,500	\$ 821,436	\$ 845,930	\$ 24,494
Intergovernmental revenue-				
Federal	40,000	40,000	30,165	(9,835)
State	30,000	30,000	27,500	(2,500)
Local	40,000	40,000	44,552	4,552
On-behalf payments	766,511	722,736	657,541	(65,195)
Other revenues	14,000	14,000	23,370	9,370
Total revenues	<u>1,829,011</u>	<u>1,668,172</u>	<u>1,629,058</u>	<u>(39,114)</u>
<b>Expenditures:</b>				
Current -				
General government - judicial				
Personnel services and related benefits	1,318,657	1,351,465	1,262,309	89,156
General insurance	5,792	5,792	6,641	(849)
Association dues	59,625	60,625	65,361	(4,736)
Conventions and meetings	8,853	5,853	8,840	(2,987)
Miscellaneous	16,107	29,107	43,096	(13,989)
Office supplies	4,659	7,659	22,869	(15,210)
Postage	3,404	6,904	7,253	(349)
Professional services	217,038	172,788	122,701	50,087
Repairs and maintenance	10,692	5,192	15,870	(10,678)
Utilities	16,706	22,606	18,674	3,932
Capital outlay	-	-	8,730	(8,730)
Total expenditures	<u>1,661,533</u>	<u>1,667,991</u>	<u>1,582,344</u>	<u>85,647</u>
Net change in fund balance	167,478	181	46,714	46,533
Fund balance, beginning	<u>115,880</u>	<u>115,880</u>	<u>115,880</u>	<u>-</u>
Fund balance, ending	<u>\$ 283,358</u>	<u>\$ 116,061</u>	<u>\$ 162,594</u>	<u>\$ 46,533</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Title IV-D  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues				
Federal grants	\$ 302,496	\$ 302,496	\$ 286,386	\$ (16,110)
Expenditures:				
Current -				
General government - judicial:				
Personnel services and related benefits	228,972	228,972	224,335	4,637
General insurance	3,208	3,208	3,229	(21)
Association dues	4,375	4,375	3,338	1,037
Conventions and meetings	147	147	467	(320)
Miscellaneous	3,306	3,306	5,018	(1,712)
Office supplies	29,177	29,177	19,743	9,434
Postage	1,660	1,660	975	685
Professional services	6,962	6,962	5,733	1,229
Repairs and maintenance	1,308	1,308	1,853	(545)
Rental expense	19,587	19,587	17,445	2,142
Utilities	3,794	3,794	4,250	(456)
Total expenditures	<u>302,496</u>	<u>302,496</u>	<u>286,386</u>	<u>16,110</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Budgetary Comparison Schedule

(1) Budget and Budgetary Accounting

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

- a. The accountant prepares a proposed budget and submits it to the District Attorney for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the District Attorney.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2017

Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Parochial Employees Retirement System - Plan B *</b>					
2015	0.575067%	\$ 1,597	\$ 494,970	0.3%	99.89%
2016	0.544404%	\$ 96,929	\$ 523,255	18.5%	93.48%
2017	0.517458%	\$ 67,222	\$ 515,490	13.0%	95.50%
<b>District Attorney's Retirement System **</b>					
2015	0.558014%	\$ 30,058	\$ 327,423	9.2%	98.56%
2016	0.617896%	\$118,270	\$ 374,105	31.6%	95.09%
2017	0.595941%	\$160,738	\$ 362,153	44.4%	93.57%

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

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

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Employer Contributions  
For the Year Ended December 31, 2017

Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<b>Parochial Employees Retirement System - Plan B</b>					
2015	\$ 47,093	\$ 47,093	\$ -	\$ 523,255	9.00%
2016	\$ 41,239	\$ 41,239	\$ -	\$ 515,490	8.00%
2017	\$ 40,863	\$ 40,863	\$ -	\$ 510,781	8.00%
<b>District Attorney's Retirement System</b>					
2015	\$ 18,059	\$ 18,059	\$ -	\$ 348,903	5.18%
2016	\$ 6,736	\$ 6,736	\$ -	\$ 383,462	1.76%
2017	\$ -	\$ -	\$ -	\$ 315,783	0.00%

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Retirement System Schedules

(1) Retirement Systems

A. Parochial Employees' Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended December 31, 2017.
- 2) Changes of assumptions – There were no changes of assumptions for the year ended December 31, 2017.

B. District Attorney's Retirement System

- 1) Changes of benefit terms – There were no changes of benefit terms for the year ended December 31, 2017.
- 2) Changes of assumptions – Amounts reported in the fiscal year ended December 31, 2017 for the retirement system reflect an adjustment in the discount rate used to measure total pension liability. The discount rate was reduced by .25% to 6.75% as of the valuation date of June 30, 2017.

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Twelfth Judicial District (District Attorney), Avoyelles Parish, Louisiana, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated June 29, 2018.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, as item 2017-001, which we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **District Attorney of the Twelfth Judicial District's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Alexandria, Louisiana  
June 29, 2018

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2017

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

A. Internal Control Over Financial Reporting

2017-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2014

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

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Charles Riddle, District Attorney, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the District Attorney to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation

B. Compliance

There are no compliance findings

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2017

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2016-001 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2017-001.

2016-002 Theft of Money Orders

CONDITION: It was brought to our attention that blank money orders remitted to the District Attorney's office were stolen during the fiscal year ended December 31, 2016. The dollar amount of money orders stolen is estimated to be approximately \$1,500. As of the date of the audit report, restitution has been paid for all amounts known. Charges have been filed against John Riddle, the son of the District Attorney.

RECOMMENDATION: It is recommended that management implement internal control processes over the collections of funds.

CURRENT STATUS: Resolved.

**DISTRICT ATTORNEY OF THE  
TWELFTH JUDICIAL DISTRICT**  
Marksville, Louisiana

Agreed-Upon Procedures Report

Period Ended December 31, 2017

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA  
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

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

Charles A. Riddle, District Attorney  
12<sup>th</sup> Judicial District Attorney's Office  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the 12<sup>th</sup> Judicial District Attorney's Office and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The 12<sup>th</sup> Judicial District Attorney's Office's management is responsible for those C/C 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. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts**, including receiving, recording, and preparing deposits.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

---

- 2. We obtained and reviewed the board/committee minutes for the fiscal period, and:
  - a) Reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

***Bank Reconciliations***

---

- 3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

### ***Collections***

---

- 5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- 6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:
  - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.
- 7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

---

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.
9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

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

---

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

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) We reported whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, we reported whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.
- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

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

---

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.
18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and reported any amounts that exceed GSA rates.

19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.
  - b) We reported whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
  - c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
  - d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### ***Contracts***

---

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

- If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.
- c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
- e) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

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

---

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly select five employees/officials, obtained their personnel files, and:
  - a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.
23. We obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

***Ethics (excluding nonprofits)***

---

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, we obtained ethics compliance documentation from management and reported whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. We reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

---

28. If debt was issued during the fiscal period, we obtained supporting documentation from the entity, and reported whether State Bond Commission approval was obtained.
29. If the entity had outstanding debt during the fiscal period, we obtained supporting documentation from the entity and reported whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
30. If the entity had tax millages relating to debt service, we obtained supporting documentation and reported whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, we reported any millages that continue to be received for debt that has been paid off.

***Other***

---

31. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. We observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If we observed or otherwise identified any exceptions regarding management’s representations in the procedures above, we reported the nature of each exception.

## **Findings:**

---

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

### **Written Policies:**

The 12<sup>th</sup> Judicial District Attorney's Office does not have written policies for budgeting, purchasing controls, purchasing documentation, the addition of vendors, disbursements, receipts, payroll processing, contracts, credit cards, ethics, or debt service.

### **Bank Reconciliations:**

Bank reconciliations for the 12<sup>th</sup> Judicial District Attorney's Office do not include evidence of management review.

Three of the 8 monthly bank reconciliations for the 12<sup>th</sup> Judicial District Attorney's Office do not include evidence of management researching reconciling items outstanding for more than 6 months.

### **Collections:**

The person responsible for collecting cash for the 12<sup>th</sup> Judicial District Attorney's Office is not bonded.

The day variance from collection to deposit for all cash collections tested for the 12<sup>th</sup> Judicial District Attorney's Office was greater than 1 day.

### **Disbursements:**

Most purchase orders are not approved by someone who did not initiate the purchase.

The 12<sup>th</sup> Judicial District Attorney's Office does not have written documentation indicating that the person responsible for processing payments is prohibited from adding vendors to the disbursement system.

The 12<sup>th</sup> Judicial District Attorney's Office does not have written documentation indicating that the individual with signatory authority has no responsibility for initiating or recording purchases.

### **Credit Cards:**

The monthly statement does not have written approval by someone other than the authorized card holder.

### **Travel Reimbursements:**

One out of three payments tested was not supported by original itemized receipt and did not include documentation of the public purpose.

Two out of the three payments tested did not include additional documentation required by the 12<sup>th</sup> Judicial District Attorney's Office's written policies.

**Payroll:**

Written documentation noting supervisor approval of attendance or sick leave does not exist.

**Ethics:**

One of the five tested employees for the 12<sup>th</sup> Judicial District Attorney's Office did not receive the required ethics training for the year.

**Other:**

The 12<sup>th</sup> Judicial District Attorney's Office does not have the "fight fraud" link posted to their website.

**Management's Response:**

---

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

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

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

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

Alexandria, Louisiana  
June 29, 2018