

DISTRICT ATTORNEY OF THE THIRTIETH
JUDICIAL DISTRICT
LEESVILLE, LOUISIANA

FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Honorable Asa Skinner
District Attorney of the Thirtieth Judicial District
Leesville, 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 Thirtieth Judicial District, 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 of the Thirtieth Judicial District as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 3 through 6 and 31 through 33 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 supplemental 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2018, on our consideration of the District Attorney's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
Monroe, Louisiana
June 7, 2018

**REQUIRED SUPPLEMENTAL INFORMATION
PART I**

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Our discussion and analysis of the District Attorney of the Thirtieth Judicial District, Vernon Parish, Louisiana's financial performance provides an overview of the financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) - The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information about the entity as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position. Over time, increases or decreases in the net position are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds - not the operations as a whole. Some funds are required to be established by State laws. Other funds are established to help control and manage money for particular purposes (such as Worthless Check Collection Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as the Title IV-D Funds).

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

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are shown in reconciliations at the bottom and following the fund financial statements.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations:

- Net position of our governmental activities increased by \$118,222.
- During the year, the District Attorney expenses of \$877,187 were \$117,423 less than the \$994,610 generated in fees and other revenues for governmental programs.
- The government funds reported total ending fund balance of \$1,295,777, an increase of \$153,793 from the prior year.

Financial Analysis of Government-Wide Financial Statements

Our analysis below focuses on the net position of the government-type activities:

Condensed Statement of Net Position

| | <u>12-31-17</u> | <u>12-31-16</u> |
|---|--------------------|--------------------|
| Current and Other Assets | \$1,412,587 | \$1,195,481 |
| Capital Assets | <u>115,671</u> | <u>125,637</u> |
| Total Assets | 1,528,258 | 1,321,118 |
| Deferred Outflows of Resources | <u>232,618</u> | <u>239,769</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$1,760,876</u> | <u>\$1,560,887</u> |
| Current Liabilities | \$ 116,810 | \$ 53,497 |
| Non-current Liabilities | <u>247,521</u> | <u>226,276</u> |
| Total Liabilities | 364,331 | 279,773 |
| Deferred Inflows of Resources | <u>53,060</u> | <u>55,851</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>417,391</u> | <u>335,624</u> |
| Net Position | | |
| Net Investment in Capital Assets | 115,671 | 125,637 |
| Unrestricted | <u>1,227,814</u> | <u>1,099,626</u> |
| Total Net Position | <u>\$1,343,485</u> | <u>\$1,225,263</u> |

The District Attorney's net position increased by \$118,222 as a result of this years operations. Current assets increased by \$217,106. This was in cash retained to use in future years and in the amounts due from other governments as grant receivables. Current liabilities increased by \$63,313. The non-current liabilities increased by \$21,245, which is the net increase in compensated absences payable and net pension liability. The Unrestricted Net Position is the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Our analysis below focuses on the changes in net position of the governmental-type activities:

Condensed Statement of Activities

| | <u>12-31-17</u> | <u>12-31-16</u> |
|---------------------------|------------------|------------------|
| Total Program Expenses | \$877,187 | \$793,617 |
| Total Program Revenues | <u>994,610</u> | <u>896,263</u> |
| Net Program Income (Loss) | 117,423 | 102,646 |
| General Revenues | <u>799</u> | <u>664</u> |
| Change in Net Position | <u>\$118,222</u> | <u>\$103,310</u> |

There were no significant changes in the make up of revenue between 2016 and 2017.

Financial Analysis of the Governmental Fund Financial Statements

The District Attorney utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$1,295,777. This reflects an increase of \$153,793 from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budgets were amended during the year.

CAPITAL ASSETS

At December 31, 2017, the District Attorney had \$233,091 invested in capital assets as follows:

| | <u>12-31-17</u> | <u>12-31-16</u> |
|--------------------------------|------------------|------------------|
| Land | \$ 12,812 | \$ 12,812 |
| Office Equipment | 92,641 | 92,641 |
| Office Renovations | <u>127,638</u> | <u>127,638</u> |
| Total Capital Assets, at cost | 233,091 | 233,091 |
| Less: Accumulated Depreciation | <u>117,420</u> | <u>107,454</u> |
| Capital Assets, net | <u>\$115,671</u> | <u>\$125,637</u> |

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Among the factors considered in compiling the 2018 budget were:

1. Any changes in rates and fees for the next fiscal year.
2. Any new laws and regulations enacted that would apply to the upcoming year.
3. Any new revenue sources or expenditures not previously encountered.

HIGHLIGHTS ON NEXT YEAR'S BUDGET

| | |
|------------------------------------|--------------------|
| Projected Beginning Balance | \$1,295,777 |
| Anticipated Income for 2018 | 867,653 |
| Anticipated Expenditures for 2018 | <u>867,653</u> |
| Excess of Expenditures Over Income | <u>0</u> |
| Projected Ending Balance | <u>\$1,295,777</u> |

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney's finances and to show the district Attorney's accountability for money it receives. If you have questions about this report or need additional financial information, contact:

Asa Skinner
District Attorney of the Thirtieth Judicial District
P.O. Box 1188
Leesville, Louisiana 71446

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

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS

| | |
|---------------------------|------------------|
| Cash and Cash Equivalents | \$1,317,211 |
| Accounts Receivables | 95,376 |
| Capital Assets, net | <u>115,671</u> |
| <u>TOTAL ASSETS</u> | <u>1,528,258</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|------------------|
| Pension Related | <u>232,618</u> |
| <u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u> | <u>232,618</u> |
| <u>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | <u>1,760,876</u> |

LIABILITIES

| | |
|------------------------------|----------------|
| Deposits Due to Others | 116,810 |
| Long-Term Liabilities | |
| Compensated Absences Payable | 111,173 |
| Net Pension Liability | <u>136,348</u> |
| <u>TOTAL LIABILITIES</u> | <u>364,331</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|----------------|
| Pension Related | <u>53,060</u> |
| <u>TOTAL DEFERRED INFLOWS OF RESOURCES</u> | <u>53,060</u> |
| <u>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u> | <u>417,391</u> |

NET POSITION

| | |
|----------------------------|--------------------|
| Invested in Capital Assets | 115,671 |
| Unrestricted | <u>1,227,814</u> |
| <u>TOTAL NET POSITION</u> | <u>\$1,343,485</u> |

See Notes to Financial Statements

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
STATEMENT OF ACTIVITIES - GOVERNMENT ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | Program Revenue | | | | Net |
|--------------------------------------|-------------------------|-------------------------|-------------------|---------------------|-----------------------|
| FUNCTIONS/PROGRAMS | Expenses | Charges for Services | Capital Grants | Operating Grants | (Expense) Revenues |
| Judicial Activities | \$(877,187) | \$613,727 | \$0 | \$380,883 | \$ 117,423 |
| <u>TOTAL GOVERNMENTAL ACTIVITIES</u> | <u>\$(877,187)</u> | <u>\$613,727</u> | <u>\$0</u> | <u>\$380,883</u> | \$ 117,423 |
| | <u>GENERAL REVENUES</u> | | | | |
| | | | | | 799 |
| | | | | | <u>799</u> |
| | | | | | 118,222 |
| | | | | | <u>1,225,263</u> |
| | | | | | <u>\$1,343,485</u> |

See Notes to Financial Statements

FUND FINANCIAL STATEMENTS (FFS)

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

| | <u>General</u> <u>Fund</u> | <u>Title</u> <u>IV-D</u> <u>Fund</u> | <u>Worthless</u> <u>Check</u> <u>Fund</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|--|-------------------------------|--|---|---|
| <u>ASSETS</u> | | | | |
| Cash and Cash Equivalents | \$930,658 | \$280,440 | \$106,113 | \$1,317,211 |
| Receivables | <u>27,313</u> | <u>68,063</u> | <u>0</u> | <u>95,376</u> |
| <u>TOTAL ASSETS</u> | <u>\$957,971</u> | <u>\$348,503</u> | <u>\$106,113</u> | <u>\$1,412,587</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | | | |
| <u>LIABILITIES</u> | | | | |
| Deposits Due to Others | \$116,810 | \$ 0 | \$ 0 | \$ 116,810 |
| <u>TOTAL LIABILITIES</u> | <u>116,810</u> | <u>0</u> | <u>0</u> | <u>116,810</u> |
| <u>FUND BALANCES</u> | | | | |
| Assigned | 0 | 348,503 | 106,113 | 454,616 |
| Unassigned | <u>841,161</u> | <u>0</u> | <u>0</u> | <u>841,161</u> |
| <u>TOTAL FUND BALANCES</u> | <u>841,161</u> | <u>348,503</u> | <u>106,113</u> | <u>1,295,777</u> |
| <u>TOTAL LIABILITIES AND FUND</u> <u>BALANCES</u> | <u>\$957,971</u> | <u>\$348,503</u> | <u>\$106,113</u> | <u>\$1,412,587</u> |

See Notes to Financial Statements

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

| | | |
|--|------------------|--------------------|
| Total Fund Balances - Governmental Funds | | \$1,295,777 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Deferred Outflows - Pension Related | | 232,618 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds. | | |
| Cost of Capital Assets | 233,091 | |
| Less: Accumulated Depreciation | <u>(117,420)</u> | 115,671 |
| Long-Term liabilities are not due and payable in the current period. Accordingly, they are not reported as liabilities in the Governmental Funds. All liabilities are reported in the Statement of Net Position. | | |
| Compensated Absences Payable | 111,173 | |
| Net Pension Liability | 136,348 | |
| Deferred Inflows - Pension Related | <u>53,060</u> | <u>(300,581)</u> |
| Net Position | | <u>\$1,343,485</u> |

See Notes to Financial Statements

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>General Fund</u> | <u>Title IV-D Fund</u> | <u>Worthless Check Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|--------------------------------|-------------------------------------|---|
| <u>REVENUES</u> | | | | |
| Fines and Fees | \$455,781 | \$ 0 | \$ 9,026 | \$ 464,807 |
| Court Cost | 148,920 | 0 | 0 | 148,920 |
| Intergovernmental | 27,500 | 353,383 | 0 | 380,883 |
| Interest | <u>445</u> | <u>252</u> | <u>102</u> | <u>799</u> |
| <u>TOTAL REVENUES</u> | 632,646 | 353,635 | 9,128 | 995,409 |
| <u>EXPENDITURES</u> | | | | |
| General Governmental - Judicial | | | | |
| Personnel Services | 728,978 | 0 | 0 | 728,978 |
| Operating Services | 75,050 | 0 | 0 | 75,050 |
| Material and Supplies | 85 | 0 | 0 | 85 |
| Travel and Seminars | 37,503 | 0 | 0 | 37,503 |
| Capital Outlay | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL EXPENDITURES</u> | <u>841,616</u> | <u>0</u> | <u>0</u> | <u>841,616</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u> | (208,970) | 353,635 | 9,128 | 153,793 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers (Infund Activity) | <u>317,256</u> | <u>(317,256)</u> | <u>0</u> | <u>0</u> |
| <u>NET OTHER FINANCING SOURCES (USES)</u> | <u>317,256</u> | <u>(317,256)</u> | <u>0</u> | <u>0</u> |
| <u>NET CHANGES IN FUND BALANCES</u> | 108,286 | 36,379 | 9,128 | 153,793 |
| <u>FUND BALANCE - BEGINNING</u> | <u>732,875</u> | <u>312,124</u> | <u>96,985</u> | <u>1,141,984</u> |
| <u>FUND BALANCE - ENDING</u> | <u>\$841,161</u> | <u>\$348,503</u> | <u>\$106,113</u> | <u>\$1,295,777</u> |

See Notes to Financial Statements

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | |
|--|------------------|
| Net Changes in Fund Balances - Governmental Funds | \$153,793 |
| <p>The change in Net Position reported for governmental activities in the statement of activities is different because:</p> | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.</p> | (9,966) |
| <p>Some expenses reported in the statement of activities, such as the net decrease in compensated absences, do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds.</p> | 4,424 |
| Non-Employer Contributions to Cost-Sharing Pension Plan | 34,473 |
| Pension Expense | <u>(64,502)</u> |
| Change in Net Position of Governmental Activities | <u>\$118,222</u> |

See Notes to Financial Statements

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District Attorney of the Thirtieth Judicial District (District Attorney), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the District Attorney are described below.

A. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney is a part of the district court system of the State of Louisiana. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity.

Financial accountability is determined by applying criteria established by the GASB as listed below:

1. Financial benefit or burden
2. Appointment of a voting majority
3. Imposition of will
4. Fiscally dependent

Certain transactions between the District Attorney and the Parish Police Jury are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability. The other three criteria of financial accountability do not pertain to the District Attorney of the Thirtieth Judicial District when applying them as a means of identifying potential component units of the Vernon Parish Police Jury. Since, the District Attorney is an independently elected official, is legally separate and fiscally independent, the District Attorney is a separate governmental reporting entity.

The financial statements of the District Attorney include all funds and activities that are within the oversight responsibility of the District Attorney.

B. Basic Financial Statements - Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District Attorney's basic financial statements include both government-wide (reporting the District Attorney as a whole) and fund financial statements (reporting the District Attorney's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental or business-type. All of the District Attorney's judicial and administrative services are classified as governmental activities.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District Attorney's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District Attorney's functions and activities (judicial). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc.). This government-wide focus is more on the sustain-ability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities.

FUND FINANCIAL STATEMENTS

The financial transactions of the District Attorney are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The governmental fund type is the only type used by the District Attorney. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District Attorney:

Governmental Funds:

- General Fund - The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 per cent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenses of his office.
- Special Revenue Funds - are used to account for fees, fines, and costs collected for a specified purpose or grants to be used for specific purposes that deal with judicial prosecution.

Major and Nonmajor Funds:

All the funds are further classified as major based on the total amount of revenue or assets per fund.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

C. Measurement Focus and Basis of Accounting

ACCRUAL BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period or within 60 days after year end. Expenditures are generally recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fines, fees, and other revenues are recorded when collected and are considered susceptible to accrual.

D. Cash

Cash includes demand deposits of the District Attorney. Under state law the entities may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. Interfund Receivables and Payables

During the course of operations transactions occur between individual funds. These receivables and payables are classified as "due to or due from other funds" on the fund financial statement balance sheet.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

H. Equity Classifications - Government-wide Statement

Net position represent the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District Attorney reports three categories of net position, as follows:

- **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 increase by balances of deferred outflows of resources related to those assets.
- **Restricted net position** - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- **Unrestricted net position** - consists of all other net position that does not meet the definition of the above two components and is available for general use by the District Attorney.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The District Attorney's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

I. Use of Estimates

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

J. Budgets

The district attorney prepares annual budgets for the General Fund and the Special Revenue Funds on a modified accrual basis of accounting. The proposed budgets are made available for public inspection no later than 15 days prior to the beginning of each fiscal year. Budgets are formally adopted by the district attorney who has sole authority to amend them. Formal budget integration (within the accounting records) is not employed as a management control device. Encumbrances are not recognized; therefore, encumbrances are not reflected for either budgeting or accounting purposes. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. Budget amounts included in the accompanying financial statements include the original adopted budgets and any amendments made during the year.

K. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2017, all receivables were considered to be collectible.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

L. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the District Attorney's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Attorney's highest level of decision-making authority.

Assigned - represents balances that are constrained by the District Attorney's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the general fund.

M. Pension Plans

The District Attorney is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

NOTE 2 - CASH

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2017, the district attorney has cash and cash equivalents (book balances) totaling \$1,317,211 as follows:

| | |
|-----------------|--------------------|
| Petty Cash | \$ 200 |
| Demand Deposits | 1,017,011 |
| Time Deposits | <u>300,000</u> |
| | <u>\$1,317,211</u> |

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 2 - CASH - continued

Cash is classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes cash insured or registered which are held by the district attorney or its agent in the district attorney's name. Category 2 includes uninsured or unregistered cash for which securities are held by the bank or agent in the district attorney's name. Category 3 includes uninsured or unregistered cash with the securities held by the bank or agent, not in the district attorney's name, but pledged to the district attorney.

The carrying amount of the district attorney's deposits with financial institutions was \$1,370,929 and the book balance was \$1,371,211. The bank balances are categorized as follows:

| | |
|------------|--------------------|
| Category 1 | \$ 530,991 |
| Category 2 | 839,938 |
| Category 3 | <u>0</u> |
| | <u>\$1,370,929</u> |

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 2017:

| | General Fund | Title IV - D Funds | Total |
|---|-----------------|-----------------------|-----------------|
| Fines and Fees | \$17,986 | \$ 0 | \$17,986 |
| Court Costs | 9,327 | 0 | 9,327 |
| Grants from LA Department of Social Services: | | | |
| Title IV-D | <u>0</u> | <u>68,063</u> | <u>68,063</u> |
| TOTAL | <u>\$27,313</u> | <u>\$68,063</u> | <u>\$95,376</u> |

NOTE 4 - CAPITAL ASSETS

A summary of capital assets at December 31, 2017 follows:

| <u>Asset</u> | <u>Balance</u> <u>December 31, 2016</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>December 31, 2017</u> |
|--------------------------|--|------------------|--------------------|--|
| Land | \$ 12,812 | \$ 0 | \$ 0 | \$ 12,812 |
| Office Equipment | 92,641 | 0 | 0 | 92,641 |
| Office Renovation | <u>127,638</u> | <u>0</u> | <u>0</u> | <u>127,638</u> |
| Total | 233,091 | 0 | 0 | 233,091 |
| Accumulated Depreciation | | | | |
| Office Equipment | 63,523 | 6,775 | 0 | 70,298 |
| Office Renovation | <u>43,931</u> | <u>3,191</u> | <u>0</u> | <u>47,122</u> |
| Total | <u>107,454</u> | <u>9,966</u> | <u>0</u> | <u>117,420</u> |
| Capital Assets, Net | <u>\$125,637</u> | <u>\$9,966</u> | <u>\$ 0</u> | <u>\$115,671</u> |

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS

A. DISTRICT ATTORNEY'S RETIREMENT SYSTEM:

PLAN DESCRIPTION

The district attorney and assistant district attorneys are members of the Louisiana District Attorney's Retirement System (System), a multiple-employer (cost-sharing), parochial employee retirement system (PERS), controlled and administered by a separate board of trustees.

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the system before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 per cent benefit reduction for each year below age 55, provided that no reductions is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 per cent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 per cent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 per cent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 per cent of the member's final average compensation, defined by L.R.S. 11:1581(5), multiplied by the number of years of his membership service, not to exceed 100 per cent of average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 per cent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 per cent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 per cent of average final compensation. The System also provides death and disability benefits. Benefits are established by state statute.

The District Attorney's Retirement System issues an annual publicly available financial report that includes financial statements and required supplemental information for the retirement system. That report may be obtained by writing to the District Attorney's Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2012, or by calling (504)-947-5551.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

FUNDING POLICY

Plan members are required by state statute to contribute 8 percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate was 0% from January to December 2017. Contributions to the System also include 0.2 per cent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the Louisiana legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Thirtieth Judicial District Attorney's contributions to the system for the year ending December 31, 2017 was \$0 equal to the required contributions for the year.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2017, the District Attorney reported a liability of \$102,911 for its proportionate share of the net pension liability of the system. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District Attorney's proportion was .381545% which was an increase of .0272% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the District Attorney recognized pension expense of \$57,667 representing its proportionate share of the system's net expense, including amortization of deferred amounts.

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

| | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 0 | \$27,055 |
| Changes of assumptions | 46,139 | 12,145 |
| Net Difference between projected and actual earnings on Pension Plan Investments | 41,300 | 0 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 86,355 | 4,209 |
| Employer contributions subsequent to the measurement date | <u>(3,615)</u> | <u>0</u> |
| Total | <u>\$170,179</u> | <u>\$43,409</u> |

The District Attorney reported a total of \$0 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended December 31, 2018.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

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

| | |
|------|------------------|
| Year | |
| 2018 | \$ 23,163 |
| 2019 | 43,493 |
| 2020 | 30,996 |
| 2021 | 22,866 |
| 2022 | 24,772 |
| 2023 | <u>5,677</u> |
| | <u>\$150,967</u> |

ACTUARIAL ASSUMPTIONS

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

| | |
|----------------------------------|---|
| Valuation Date | June 30, 2017 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Actuarial Assumptions: | |
| Investment Rate of Return | 6.75%, net of investment expense |
| Projected Salary Increases | 5.50% (2.50% Inflation, 3.00% Merit) |
| Mortality Rates | The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement. |
| Expected Remaining Service Lives | 7 years |
| Cost of Living Adjustments | Only those previously granted |

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.06% for the year ended June 30, 2017.

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2017 were as follows:

| <u>Asset Class</u> | <u>Long-Term Target Asset Allocation</u> | <u>Rates of Return</u> | |
|------------------------------------|--|------------------------|----------------|
| | | <u>Real</u> | <u>Nominal</u> |
| Equities | 61.72% | 11.31% | |
| Fixed Income | 28.95% | 6.84% | |
| Alternatives | 8.85% | 10.50% | |
| Cash | <u>.48%</u> | 0.50% | |
| System Total | <u>100.00%</u> | | 6.56% |
| Inflation | | | <u>2.50%</u> |
| Expected Arithmetic Nominal Return | | | <u>9.06%</u> |

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking in consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

| | Changes in Discount Rate | | |
|-------------------------------|--------------------------|--------------------------|-------------------|
| | 2017 | | |
| | 1% Decrease | Current Discount Rate | 1% Increase |
| | <u>5.75%</u> | <u>6.75%</u> | <u>7.75%</u> |
| Net Pension Liability/(Asset) | <u>\$294,081</u> | <u>\$102,911</u> | <u>\$(59,538)</u> |

B. PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM

PLAN DESCRIPTION

The district attorney's administrative and secretarial employees are members of the Parochial Employee's Retirement System (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct Plans, Plan A and Plan B, with separate assets and benefits provisions. The employees are members of Plan B administered by the System.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from district attorney funds and all elected parish officials are eligible to participate in the System. Members covered under Plan A who retire at or after age 60 with at least 10 years of creditable service, or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The Parochial Employee's Retirement System issues an annual publicly available financial report that includes financial statements and required supplemental information for the retirement system. That report may be obtained by writing to the Parochial Employee's Retirement System of Louisiana, PO Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

FUNDING POLICY

Plan members are required by state statute to contribute 3.0 per cent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 8.00 percent of annual covered payroll. Contributions to the System also include 0.25 per cent (except Orleans and East Baton Rouge Parishes) of the ad valorem taxes collected throughout the state. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Thirtieth Judicial District Attorney's contributions to the system under Plan B for the year ending December 31, 2017 were \$24,564, equal to the required contributions for the year.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

PENSION, LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2017, the District Attorney reported a liability of \$33,437 for its proportionate share of the net pension liability of the system. The net pension liability was measured as of December 31, 2016 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 proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the District Attorney's proportion was .257393% which was an increase of .016698% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District Attorney recognized pension expense of \$31,399 representing its proportionate share of the system's net expense, including amortization of deferred amounts.

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 0 | \$9,544 |
| Changes of Assumptions | 3,988 | 0 |
| Net differences between projected and actual earnings on pension plan investments | 33,383 | 0 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 504 | 107 |
| Employer contributions subsequent to the measurement date | <u>24,564</u> | <u>0</u> |
| Total | <u>\$62,439</u> | <u>\$9,651</u> |

The District Attorney reported a total of \$24,564 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2016, which will be recognized as a reduction in net pension liability in the year ended December 31, 2018.

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

| | |
|------|-----------------|
| Year | |
| 2017 | \$ 9,503 |
| 2018 | 11,730 |
| 2019 | 8,176 |
| 2020 | <u>(924)</u> |
| | <u>\$28,485</u> |

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

ACTUARIAL ASSUMPTIONS

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2016, are as follows:

| | |
|----------------------------------|---|
| Valuation Date | December 31, 2016 |
| Actuarial Cost Method | Plan A - Entry Age Normal Plan B - Entry Age Normal |
| Investment Rate of Return | 7.00% (Net of Investment Expense) |
| Expected Remaining Service Lives | 4 Years |
| Projected Salary Increases | Plan A - 5.25% (2.75% Merit/2.50% Inflation) Plan B - 5.25% (2.75% Merit/2.50% Inflation) |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees. |
| Mortality | RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. |

The discount rate used to measure the total pension liability was 7.00% for Plan A and 7.00% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|------------------------------------|------------------------------------|---|
| Fixed Income | 35% | 1.24% |
| Equity | 52% | 3.63% |
| Alternatives | 11% | 0.67% |
| Real Assets | <u>2%</u> | <u>0.12%</u> |
| Totals | <u>100%</u> | <u>5.66%</u> |
| Inflation | | <u>7.66%</u> |
| Expected Arithmetic Nominal Return | | <u>7.55%</u> |

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

| | <u>PLAN B</u> | | |
|-------------------------------|---------------------------------|-----------------|-------------------|
| | <u>Changes in Discount Rate</u> | | |
| | 1% | Current | 1% |
| | Decrease | Discount | Increase |
| | <u>6.00%</u> | <u>7.00%</u> | <u>8.00%</u> |
| Net Pension Liability (Asset) | <u>\$127,120</u> | <u>\$33,437</u> | <u>\$(45,644)</u> |

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - EMPLOYEE BENEFITS - CONTINUED

C. STATE OF LOUISIANA DEFERRED COMPENSATION PLAN

PLAN DESCRIPTION

Effective September 1, 2000 all full time employees are eligible to participate in the State of Louisiana Deferred Compensation Plan. The Plan is pursuant to IRC Section 457, and Louisiana R.S. 42:1301-1308.

Under the Plan, eligible employees can elect to reduce a portion of their salary by deferring it into the plan. Section 457 of the Internal Revenue Code limits the amount which may be deferred each year to the lessor of \$8,000 or 33 1/3% of includable compensation. Additionally, during the three calendar years ending prior to an employee's retirement age as defined by the Plan, the employee may be eligible to contribute a "catch up" amount if the maximum allowable contribution was not made in previous years of participation in the Plan.

Annual reports are prepared by the Louisiana Public Employees Deferred Compensation Plan. That report may be obtained by writing to the Louisiana Deferred Compensation Plan, 2237 South Acadian Thruway, Suite 702, Baton Rouge, Louisiana 70808.

FUNDING POLICY

Plan members elect the amount of salary deferral on January 1st of each year. The District Attorney made employer contributions during 2017 totaling \$70,411.

D. POST RETIREMENT BENEFITS

The District Attorney has no policy for payment of any post retirement benefits.

NOTE 6 - ON BEHALF PAYMENTS AND EXPENDITURES NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the district attorney paid by the Vernon Parish Police Jury or directly by the state. A portion of the salaries of the district attorney and assistant district attorney are paid directly by the state. The Vernon Parish Criminal Court Fund pays certain salaries and employer contributions of secretarial personnel. In addition, the police jury provides certain fixed assets for the district attorney's office and pays employee health benefits. At December 31, 2017, the amount of the expenses paid or absorbed by these other agencies has not been determined.

NOTE 7 - OPERATING LEASES

The District Attorney of the Thirtieth Judicial District maintains an operating lease for one automobile at December 31, 2017. The lease term is for 36 months beginning on the date the lease is signed. Lease payments made totaled \$5,174 for the year ending December 31, 2017.

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 8 - LITIGATION AND CLAIMS

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

NOTE 9 - FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The District Attorney participates in the United States Department of Health and Human Services Child Support Enforcement Title IV-D Program, Catalog of Federal Domestic Assistance No. 13.783. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. The reimbursement payments are restricted by a formal agreement between the District Attorney and the Louisiana Department of Social Services and include a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Louisiana Department of Social Services on a monthly basis. There are no restrictions on how incentive payments may be expended, except as may be required by state law for any other funds of the district attorney. However, these payments, as well as the reimbursement payments, may be subjected to further review and audit by the Federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of such a review or audit.

NOTE 10 - RISK MANAGEMENT

The District Attorney of the Thirtieth Judicial District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District Attorney.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 7, 2018 the date that the financial statements were available to be issued, and determined that no events occurred that require disclosure.

REQUIRED SUPPLEMENTAL INFORMATION
PART II
DESCRIPTION OF MAJOR FUNDS

General Fund - The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenses of his office.

Title IV-D Fund - The Title IV-D Office Fund consists of reimbursement grant payments 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.

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

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------------|------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>REVENUES</u> | | | | |
| Fines and Fees | \$280,451 | \$317,653 | \$455,781 | \$138,128 |
| Court Cost | 109,631 | 148,000 | 148,920 | 920 |
| Intergovernmental | 30,000 | 27,500 | 27,500 | 0 |
| Interest | <u>1,000</u> | <u>1,000</u> | <u>445</u> | <u>(555)</u> |
| <u>TOTAL REVENUES</u> | <u>421,082</u> | <u>494,153</u> | <u>632,646</u> | <u>138,493</u> |
| <u>EXPENDITURES</u> | | | | |
| General Governmental-Judicial | | | | |
| Personnel Services | 720,000 | 724,015 | 728,978 | (4,963) |
| Operating Services | 8,082 | 60,000 | 75,050 | (15,050) |
| Materials and Supplies | 500 | 5,000 | 85 | 4,915 |
| Travel and Seminars | 31,000 | 40,000 | 37,503 | 2,497 |
| Capital Outlay | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL EXPENDITURES</u> | <u>759,582</u> | <u>829,015</u> | <u>841,616</u> | <u>(12,601)</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u> | | | | |
| | <u>(338,500)</u> | <u>(334,862)</u> | <u>(208,970)</u> | <u>125,892</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers (Interfund Activity) | <u>325,000</u> | <u>350,000</u> | <u>317,256</u> | <u>32,744</u> |
| <u>NET OTHER FINANCING SOURCES (USES)</u> | <u>(13,500)</u> | <u>350,000</u> | <u>317,256</u> | <u>32,744</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>(13,500)</u> | <u>15,138</u> | <u>108,286</u> | <u>93,148</u> |
| <u>FUND BALANCE - BEGINNING</u> | <u>732,875</u> | <u>732,875</u> | <u>732,875</u> | <u>0</u> |
| <u>FUND BALANCE - ENDING</u> | <u>\$719,375</u> | <u>\$748,013</u> | <u>\$841,161</u> | <u>\$ 93,148</u> |

See Independent Auditor's Report

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - TITLE IV - D FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance |
|--|-------------------------|------------------|-----------------------|--------------------------|
| | <u>Original</u> | <u>Final</u> | | Favorable Unfavorable |
| <u>REVENUES</u> | | | | |
| Intergovernmental | \$325,000 | \$350,000 | \$353,383 | \$ 3,383 |
| Interest | <u>0</u> | <u>0</u> | <u>252</u> | <u>252</u> |
| <u>TOTAL REVENUES</u> | <u>325,000</u> | <u>350,000</u> | <u>353,635</u> | <u>3,635</u> |
| <u>EXPENDITURES</u> | | | | |
| General Governmental - Judicial | | | | |
| Personnel Services | 0 | 0 | 0 | 0 |
| Operating Services | 0 | 0 | 0 | 0 |
| Materials and Supplies | 0 | 0 | 0 | 0 |
| Travel and Seminars | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL EXPENDITURES</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u> | 325,000 | 350,000 | 353,635 | 3,635 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfer Interfund Activity | <u>(325,000)</u> | <u>(350,000)</u> | <u>(317,256)</u> | <u>32,744</u> |
| NET OTHER FINANCING SOURCES (USES) | <u>(325,000)</u> | <u>(350,000)</u> | <u>(317,256)</u> | <u>32,744</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | 0 | 0 | 36,379 | 36,379 |
| <u>FUND BALANCE - BEGINNING</u> | <u>312,124</u> | <u>312,124</u> | <u>312,124</u> | <u>0</u> |
| <u>FUND BALANCE - ENDING</u> | <u>\$312,124</u> | <u>\$312,124</u> | <u>\$348,503</u> | <u>\$36,379</u> |

See Independent Auditor's Report

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - WORTHLESS CHECK FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|-------------------------|------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>REVENUES</u> | | | | |
| Fines and Fees | \$ 13,500 | \$ 13,500 | \$ 9,026 | \$(4,474) |
| Interest | <u>0</u> | <u>0</u> | <u>102</u> | <u>102</u> |
| <u>TOTAL REVENUES</u> | <u>13,500</u> | <u>13,500</u> | <u>9,128</u> | <u>(4,372)</u> |
| <u>EXPENDITURES</u> | | | | |
| General Government - Judicial | | | | |
| Personnel Services | 0 | 0 | 0 | 0 |
| Operating Services | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>TOTAL EXPENDITURES</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u> | <u>13,500</u> | <u>13,500</u> | <u>9,128</u> | <u>(4,372)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers (Interfund Activity) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>NET OTHER FINANCING SOURCES (USES)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>13,500</u> | <u>13,500</u> | <u>9,128</u> | <u>(4,372)</u> |
| <u>FUND BALANCE - BEGINNING</u> | <u>96,985</u> | <u>96,985</u> | <u>96,985</u> | <u>0</u> |
| <u>FUND BALANCE - ENDING</u> | <u>\$110,485</u> | <u>\$110,485</u> | <u>\$106,113</u> | <u>\$(4,372)</u> |

See Independent Auditor's Report

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
SCHEDULE OF DISTRICT ATTORNEY'S CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

| <u>Year End</u> <u>December 31</u> | <u>Contractually</u> <u>Required</u> <u>Contribution</u> | <u>Contributions in</u> <u>Relation to</u> <u>Contractual</u> <u>Required</u> <u>Contribution</u> | <u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u> | <u>Employer's</u> <u>Covered</u> <u>Employee</u> <u>Payroll</u> | <u>Contributions</u> <u>as a % of</u> <u>Covered</u> <u>Employee</u> <u>Payroll</u> |
|--|--|---|---|--|---|
| District Attorney's Retirement System: | | | | | |
| 2015 | \$10,606 | \$10,606 | \$0 | \$202,943 | 5.23% |
| 2016 | 3,765 | 3,765 | 0 | 220,724 | 1.71% |
| 2017 | 0 | 0 | 0 | 249,957 | 0% |
| Parochial Employees Retirement System: | | | | | |
| 2015 | \$21,636 | \$21,636 | \$0 | \$240,400 | 9.00% |
| 2016 | 20,513 | 20,513 | 0 | 256,416 | 8.00% |
| 2017 | 24,564 | 24,564 | 0 | 307,056 | 8.08% |

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

See Independent Auditor's Report

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
SCHEDULE OF THE DISTRICT ATTORNEY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2017

| <u>Year Ended</u> <u>December 31,</u> | <u>Employer</u> <u>Proportion</u> <u>Of the</u> <u>Net Pension</u> <u>Liability</u> <u>(Asset)</u> | <u>Employer</u> <u>Proportionate</u> <u>Share of the</u> <u>Net Pension</u> <u>Liability</u> <u>(Asset)</u> | <u>Employer's</u> <u>Covered</u> <u>Employee</u> <u>Payroll</u> | <u>Employer's</u> <u>Proportionate Share</u> <u>of the Net Pension</u> <u>Liability (Asset) as a</u> <u>Percentage of its</u> <u>Covered Employee</u> <u>Payroll</u> | <u>Plan Fiduciary</u> <u>Net Position</u> <u>as a Percentage</u> <u>of the Total</u> <u>Pension Liability</u> |
|--|---|--|--|--|---|
| The District Attorney's Retirement System: | | | | | |
| 2015 | .369297% | \$19,892 | \$202,943 | 9.80% | 98.5614% |
| 2016 | .354345% | 67,824 | 220,724 | 30.73% | 95.0906% |
| 2017 | .381545% | 102,911 | 249,957 | 41.1715% | 93.5716% |
| Parochial Employee's Retirement System: | | | | | |
| 2015 | .243744% | \$ 677 | \$240,400 | .28% | 99.8906% |
| 2016 | .240695% | 42,855 | 256,416 | 16.71% | 93.4759% |
| 2017 | .257393% | 33,437 | 307,056 | 10.89% | 95.501% |

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

See Independent Auditor's Report

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
NOTE TO CHANGES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

District Attorney's Retirement System

Changes in Valuation
Methods and Assumptions

The valuation interest rate was lowered from 7.00%
to 6.75% for the year ended June 30, 2017.

Parochial Employees Retirement System

Changes in Valuation
Methods and Assumptions

The valuation interest rate was not changed from 7.0%
for the year ended December 31, 2016.

See Independent Auditor's Report

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2017

AGENCY HEAD - DISTRICT ATTORNEY - ASA SKINNER

| | |
|---------------------------|------------------|
| Salary | \$164,000 |
| Benefits - Retirement | 0 |
| Benefits - Deferred Comp. | 11,500 |
| Per Diem | 1,200 |
| Conference Travel | 2,504 |
| Dues | 430 |
| Reimbursements | 623 |
| Travel | 180 |
| Registration Fees | <u>525</u> |
| | <u>\$180,962</u> |

See Independent Auditor's Report

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

Honorable Asa Skinner
District Attorney of the Thirtieth Judicial District
Leesville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, component units, each major fund, and the aggregate remaining fund information of the District Attorney of the Thirtieth Judicial District 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 7, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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*.

Purpose of this Report

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

This report is intended solely for the information and use of management of the District Attorney of the thirtieth Judicial District and the Legislative Auditor of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
June 7, 2018

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

We have audited the financial statements of the governmental activities and each major fund of the District Attorney of the Thirtieth Judicial District, as of and for the year ended December 31, 2017, which collectively comprise the basic financial statements and have issued our report thereon dated June 7, 2018. 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. Our audit of the financial statements as of December 31, 2017 resulted in an unmodified opinion.

Section I - Summary of Auditor's Results

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses yes no Significant Deficiency yes no

Compliance

Compliance Material to Financial Statements yes no

- b. Federal Awards -N/A

Internal Control

Material Weaknesses yes no Significant Deficiency yes no

Type of Opinion on Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

- c. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs \$N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? yes No N/A

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs - N/A

DISTRICT ATTORNEY OF THE THIRTIETH JUDICIAL DISTRICT
LEESVILLE, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section

Section II -Internal Control and Compliance Material to Federal Awards

No findings were reported under this section.

Section III -Management Letter

No management letter was issued.

District Attorney for the Thirtieth Judicial District
Leesville, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon procedures

Year Ended December 31, 2017

MARCUS, ROBINSON, and HASSELL

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Asa Skinner
District Attorney of the Thirtieth Judicial District and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Thirtieth Judicial District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) area identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

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

- 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 public bid law; and (5) documentation required to be

maintained for all bids and price quotes.

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

- c) **Disbursements**, including processing, reviewing and approving.

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

- d) **Receipts**, including receiving, recording, and preparing deposits.

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standards terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

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

- 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.

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

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

- 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.

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

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

This is not applicable. There is no debt.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report 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.

The District Attorney is not required to meet and maintain minutes each month. We did note that periodic meetings between the District Attorney and Bill Endris, Accountant took place to review budget-to-actual comparisons at least once a month.

- b) Report 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, report 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, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The District Attorney is not required to meet and maintain minutes each month. We did note that periodic meetings between the District Attorney and Bill Endris, Accountant took place to review budget-to-actual comparisons at least once a month.

- c) Report 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.

The District Attorney is not required to meet and maintain minutes each month. We did note that periodic meetings between the District Attorney and Bill Endris, Accountant took place to review non-budgetary financial information.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select 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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioners. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Bank statements and reconciliation for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.

- b) Bank reconciliations include evidence that a member of management or board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Bank reconciliations did not include evidence that a member of management has reviewed each bank reconciliation.

- 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.

Not Applicable - No items outstanding for more than 6 months.

Management's Response

Future bank reconciliations will have evidence of management's review.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

A listing of cash collection locations and management's representation that the listing is complete was obtained.

6. Using the listing provided by management, select 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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: *School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report 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.

Each employee collecting cash is bonded. The only cash received is the monies seized and deposited to the Drug Asset Forfeiture account. There were six deposits made all year. There are only two people authorized to receive the seized cash. The money is counted by them in the presence of the person who is surrendering the money. The deposits are made by one of the people receiving the money; however, the verified receipt of the counted cash is sent to the Accountant prior to the deposit. These employees are not responsible for recording the transaction or reconciling the bank account.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report 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.

The entity has a formal process to reconcile cash collections to the general ledger by revenue source or agency fund by a person who is not responsible for cash collection.

- c) Select the highest (dollar) period 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, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

We selected the month of July, 2017. The deposits were all documented then traced to financial records and bank statements. All deposits were made within one business day after collection.

◇ Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Obtained collection documentation by location noting cash collections are completely supported by documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report 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.

In all locations selected, there is a process defined to determine the completeness of collections by a person who is not responsible for collections.

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

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

A listing of disbursements and management's representation that the listing is complete was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements consisting 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. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report 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.

All purchases/disbursements are approved by the District Attorney, however, a requisition/purchase order system was not used.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

All purchases/disbursements are approved by the District Attorney.

- c) Payments for purchases were not processed without an approved invoice.

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

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

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), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The District Attorney does have the ability to initiate but not record purchases.

- 12. Inquire of management and observe whether supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry found that unused checks are maintained in a locked location with access restrictions. Check signer does have access to the unused checks. (The District Attorney)

- 13. If a signature stamp or signature machine is used, inquire 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. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Not Applicable

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

Not Applicable

There are no office credit cards/debit cards/fuel cards/ P-Cards

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

We obtained the general ledger listing of travel and expense reimbursements and management's representation, the list is complete.

15. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The written policies adhere to the 2016-2017 state travel regulations.

16. Using the listing or general ledger from #14 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain 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) Compare expense documentation to written policies and report 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, compare to the GSA rates (#15 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

- b) Report 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].

No exceptions noted.

- ◇ Documentation of the business/public purpose. (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- ◇ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

- c) Compare 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). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

17. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

We obtained a list of all contracts during the fiscal period and management's representation that the list is complete.

18. There was only one contracted service (IT Service).

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

There is no written contract.

- b) Compare 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, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

The contract selected for testing was not subject to the Louisiana Public Bid Law or Procurement Code.

- ◇ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No quotes were solicited, however, the IT Company in force has been with the District Attorney for 10 years with no increase in fee.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

None of the contracts selected were amended.

- d) Obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The invoices selected and related payments all complied with the terms and conditions of the verbal contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

All contracts were approved by management.

Payroll and Personnel

19. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

A listing of employees with their related salaries and management's representation that the listing is complete was obtained. Five employees were randomly selected and their personnel files were obtained.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

There were no exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no changes in salary structure during the year.

20. Obtain 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, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity has less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

There were no exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

There were no exceptions noted.

- c) Report 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.

There were no exceptions noted.

21. Obtain 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, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

There were no terminations during the year.

22. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report 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.

No exceptions noted.

Ethics (excluding nonprofits)

23. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

No exceptions noted.

24. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review 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. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Inquiry found no alleged ethics violations reported to the entity during the fiscal period.

Debt Service (excluding nonprofits)

There is no debt.

Other

25. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the

misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

26. Observe and report 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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The entity does have the required notices posted on its premises and website.

27. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted as a result of applying this procedure.

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

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell, CPAs
Monroe, Louisiana
June 7, 2018