

**DISTRICT ATTORNEY  
OF THE THIRTY-NINTH JUDICIAL DISTRICT  
COUSHATTA, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2017**

District Attorney of the Thirty-Ninth Judicial District  
 Coushatta, Louisiana  
 Financial Report  
 December 31, 2017

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District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Financial Report  
December 31, 2017

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District Attorney of the Thirty-Ninth Judicial District  
P. O. Box 606  
Coushatta, LA 71019-0606

**Management's Discussion and Analysis (MD&A)**

This section of the District Attorney of the Thirty-Ninth Judicial District's (hereafter referred to as the District Attorney) annual financial report presents an overview and analysis of the District Attorney's financial activities for the year ended December 31, 2017. The intent of the MD&A is to look at the District Attorney's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the District Attorney's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District Attorney as a whole and presents a longer-term view of the District Attorney's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the District Attorney's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as "net position". Over time, increases or decreases in the District Attorney's net position may serve as a useful indicator of whether the financial position of the District Attorney is improving or deteriorating.
- The Statement of Activities presents information showing how the District Attorney's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

These statements provide a short-term view of the District Attorney's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District Attorney. The services provided by the District Attorney are financed through governmental funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District Attorney conducts its day-to-day operations through a governmental fund, the General Fund. There are also two special revenue funds, the Title IV-D and Worthless Check Funds. The District Attorney also maintains one fiduciary fund, the Forfeiture Fund. The Fiduciary Fund is simply a fund held for other parties and cannot be used for any of the District Attorney's activities, it is not included in the government-wide statements, but is separately reported in the statement of the Fiduciary Funds.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2017</u>	<u>2016</u>
ASSETS:		
Current Assets	\$180,003	\$200,756
Capital Assets, Net of Accumulated Depreciation	<u>10,219</u>	<u>14,286</u>
Total Assets	<u>\$190,222</u>	<u>\$215,042</u>
DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>14,047</u>	\$ <u>11,719</u>
LIABILITIES:		
Current- Payables	\$ <u>3,094</u>	\$ <u>25,178</u>
Noncurrent- Net Pension Liability	\$ <u>15,535</u>	\$ <u>11,071</u>
Total Liabilities	\$ <u>18,629</u>	\$ <u>36,249</u>
DEFERRED INFLOWS OF RESOURCES:	\$ <u>6,647</u>	\$ <u>7,852</u>
NET POSITION:		
Net investment in Capital Assets Unrestricted	\$ 10,219 <u>168,774</u>	\$ 14,286 <u>168,374</u>
Total Net Position	<u>\$178,993</u>	<u>\$182,660</u>

## Summary of Statement of Activities

	<u>2017</u>	<u>2016</u>
REVENUES:		
Operating Grants	\$203,269	\$214,224
Fees, Fines & Charges for Services	75,824	79,042
Non-employer Pension Revenue	4,734	5,008
On Behalf Payments-Parish Government	230,149	0
On Behalf Payments-State	175,962	0
Interest & Miscellaneous	<u>2,729</u>	<u>2,899</u>
Total Revenues	<u>\$692,667</u>	<u>\$301,173</u>
EXPENSES:		
Governmental Activities-		
Judicial-		
On Behalf Payments-Parish Government	\$290,223	\$297,158
On Behalf Payments-State	230,149	0
	<u>175,962</u>	<u>0</u>
Total Expenses	<u>\$696,334</u>	<u>\$297,158</u>
Change in Net Position	<u>\$ (3,667)</u>	<u>\$ 4,015</u>

- The District Attorney's assets exceeded its liabilities by \$178,993 (net position) for the year. For the prior year this was \$182,660.
- Unrestricted net position of \$168,774 represents the portion available to maintain the District Attorney's obligation to both citizens and creditors. For the prior year, this was \$168,374, an increase of \$400 for the year.

Budgetary Highlights

In the General Fund, actual revenues were more than budgeted amounts by \$1,918 and actual expenditures were less than budgeted amounts by \$1,799. For the Title IV-D Fund, actual expenditures were \$1,864 more than budgeted amounts and actual revenues were \$1,014 less than budgeted amounts. Amendments were made during the year to the original budgets for the General and Title IV-D funds.

Economic Factors and Next Year's Budget

Revenues received by the District Attorney continue to be sufficient to maintain the normal day-to-day operational needs of the office. The District Attorney considers many factors when setting the budget for fiscal year 2017, including increasing personnel costs associated with insurance and retirement.

Contacting the District Attorney

This financial report is designed to provide our citizens and creditors with a general overview of the District Attorney's finances and to show the District Attorney's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Julie C. Jones, District Attorney of the Thirty-Ninth Judicial District at P. O. Box 606, Coushatta, Louisiana 71019-0606.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation

Roger M. Cunningham, CPA – A Professional Corporation

Jessica H. Broadway, CPA – A Professional Corporation

Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street  
Natchitoches, Louisiana 71457  
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### INDEPENDENT AUDITOR'S REPORT

To the Honorable Julie C. Jones, District Attorney  
Thirty-Ninth Judicial District  
P. O. Box 606  
Coushatta, LA 71019-0606

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the fiduciary fund, and the aggregate remaining fund information of the District Attorney of the Thirty-Ninth Judicial District of Louisiana (District Attorney), a component unit of the Red River District Attorney, as of and for the year ended December 31, 2017, 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 an opinion 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 and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

We have applied certain limited procedures to the Management's Discussion and Analysis 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 introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District Attorney's financial statements. The Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions, and Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.

*Other Reporting Required by Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

*Report on Other Legal and Regulatory Requirements*

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 28, 2018 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's  
Natchitoches, LA 71457

June 28, 2018

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Statement of Net Position  
December 31, 2017

ASSETS:

Current Assets-

Cash & Cash Equivalents	\$148,748
Revenue Receivable	<u>31,255</u>

Total Current Assets	\$180,003
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Noncurrent Assets-

Capital Assets (Net)	<u>10,219</u>
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Total Assets	\$190,222
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DEFERRED OUTFLOWS OF RESOURCES:	\$ <u>14,047</u>
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LIABILITIES:

Current Liabilities-

Accounts Payable	\$ 2,045
Accrued Payroll Expenses	<u>1,049</u>

Total Current Liabilities	\$ <u>3,094</u>
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Noncurrent Liabilities-

Net Pension Liability	\$ <u>15,535</u>
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Total Liabilities	\$ <u>18,629</u>
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DEFERRED INFLOWS OF RESOURCES:	\$ <u>6,647</u>
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NET POSITION:

Net Investment in Capital Assets	\$ 10,219
Unrestricted	<u>168,774</u>

Total Net Position	\$ <u>178,993</u>
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The accompanying notes are an integral part of this statement.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Statement of Activities  
December 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial-					
Personnel Services	\$552,518	\$75,824	\$ 0	\$0	\$(476,694)
Operating Expenses	39,020	0	203,269	0	164,249
Materials & Supplies	14,206	0	0	0	(14,206)
Travel & Other Charges	3,619	0	0	0	(3,619)
Outside Appropriations	75,027	0	0	0	(75,027)
Professional Services	<u>11,944</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,944)</u>
Total Governmental Activities	<u>\$696,334</u>	<u>\$75,824</u>	<u>\$203,269</u>	<u>\$0</u>	<u>\$(417,241)</u>
General Revenues:					
Interest				\$ 2,729	
Non-Employer Pension Revenue				4,734	
On Behalf Payments-Parish Government				230,149	
On Behalf Payments-State				175,962	
Miscellaneous				<u>0</u>	
Total General Revenues				\$ <u>413,574</u>	
Change in Net Position				\$ (3,667)	
Net Position January 1, 2017				<u>182,660</u>	
Net Position December 31, 2017				\$ <u>178,993</u>	

The accompanying notes are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Balance Sheet-Governmental Funds  
December 31, 2017

	<u>Major Funds</u>		<u>Non-Major Fund</u>	
	<u>General</u>	<u>Title</u>	<u>Worthless</u>	<u>Total</u>
	<u>Fund</u>	<u>IV-D Fund</u>	<u>Check Fund</u>	
Assets:				
Cash & Cash Equivalents	\$132,376	\$14,278	\$2,094	\$148,748
Revenue Receivable	<u>8,675</u>	<u>22,580</u>	<u>0</u>	<u>31,255</u>
Total Assets	<u>\$141,051</u>	<u>\$36,858</u>	<u>\$2,094</u>	<u>\$180,003</u>
Liabilities:				
Accounts Payable	\$ 1,971	\$ 74	\$ 0	\$ 2,045
Accrued Payroll Expenses	<u>0</u>	<u>1,049</u>	<u>0</u>	<u>1,049</u>
Total Liabilities	<u>\$ 1,971</u>	<u>\$ 1,123</u>	<u>\$ 0</u>	<u>\$ 3,094</u>
Fund Balance:				
Restricted for:				
Special Purposes	\$ 0	\$35,735	\$2,094	\$ 37,829
Unassigned	<u>139,080</u>	<u>0</u>	<u>0</u>	<u>139,080</u>
Total Fund Balances	<u>\$139,080</u>	<u>\$35,735</u>	<u>\$2,094</u>	<u>\$176,909</u>
Total Liabilities and Fund Balance	<u>\$141,051</u>	<u>\$36,858</u>	<u>\$2,094</u>	<u>\$180,003</u>

The accompanying notes are an integral part of this statement.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
December 31, 2017

Total Fund Balance for the Governmental Funds at December 31, 2017	\$176,909
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Equipment and Vehicles, Net of Accumulated Depreciation	10,219
Deferred Outflows of Resources used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund Balance Sheet-	14,047
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet-	
Net Pension Liability	(15,535)
Deferred Inflows of Resources are not due and payable current period and, therefore are not reported in the Governmental Fund Balance Sheet-	<u>(6,647)</u>
Total Net Position of Governmental Activities at December 31, 2017	<u>\$178,993</u>

The accompanying notes are an integral part of this statement.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2017

	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Title IV-D Fund</u>	<u>Worthless Check Fund</u>	
<b>REVENUES:</b>				
Charges for Services	\$ 74,081	\$ 0	\$ 1,742	\$ 75,823
Intergovernmental-				
Federal Grants	0	142,985	0	142,985
State Grants	27,500	0	0	27,500
Other Grants	32,784	0	0	32,784
On Behalf Payments-				
Parish Government	230,149	0	0	230,149
On Behalf Payments-State	175,962	0	0	175,962
Miscellaneous	<u>2,726</u>	<u>3</u>	<u>0</u>	<u>2,729</u>
Total Revenues	<u>\$543,202</u>	<u>\$142,988</u>	<u>\$1,742</u>	<u>\$687,932</u>
<b>EXPENDITURES:</b>				
Current-				
General Government-				
Personnel Services & Related Benefits	\$489,663	\$132,217	\$ 0	\$621,880
Operating Expenses	23,177	11,776	214	35,167
Materials & Supplies	10,338	3,653	0	13,991
Travel & Other Charges	3,578	40	0	3,618
Professional Services	<u>11,945</u>	<u>0</u>	<u>0</u>	<u>11,945</u>
Total Expenditures	<u>\$538,701</u>	<u>\$147,686</u>	<u>\$ 214</u>	<u>\$686,601</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 4,501</u>	<u>\$ (4,698)</u>	<u>\$1,528</u>	<u>\$ 1,331</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 0	\$ 7,887	\$ 0	\$ 7,887
Operating Transfers Out	<u>(7,887)</u>	<u>0</u>	<u>0</u>	<u>(7,887)</u>
Total Other Financing Sources (Uses)	<u>\$ (7,887)</u>	<u>\$ 7,887</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (3,386)	\$ 3,189	\$1,528	\$ 1,331
Fund Balances-Beginning of Year	<u>142,466</u>	<u>32,546</u>	<u>566</u>	<u>175,578</u>
Fund Balances-End of Year	<u>\$139,080</u>	<u>\$ 35,735</u>	<u>\$2,094</u>	<u>\$176,909</u>

The accompanying notes are an integral part of this statement.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2017

Net Change in Fund Balances-Governmental Funds	\$ 1,331
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Statement of Revenues, Expenditures and Changes in Fund Balance	
Non-Employer Pension Revenue	4,734
Depreciation Expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	
	(4,067)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance –	
Change in Pension Expense	<u>(5,665)</u>
Total changes in Net Position at December 31, 2017, per Statement of Activities	<u>\$(3,667)</u>

The accompanying notes are an integral part of this statement.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Fund  
December 31, 2017

	Asset Forfeiture <u>Fund</u>
ASSETS:	
Cash	<u>\$1,208</u>
LIABILITIES:	
Due to Other Governments	<u>\$1,208</u>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Notes to Financial Statements  
December 31, 2017

Introduction:

The Thirty-Ninth Judicial District is comprised of the parish of Red River, located in northeast Louisiana. As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district, and is legal advisor to the grand jury. The District Attorney 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.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Red River District Attorney for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Notes to Financial Statements  
December 31, 2017

Although the District Attorney is an independently elected official, he is fiscally dependent on the Red River Parish Police Jury. The Red River Parish Police Jury maintains and operates the parish courthouse in which the District Attorney's office is located and provides funds for other expenses of the District Attorney's office, as necessary. Therefore, the District Attorney was determined to be a component unit of the Red River Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for the fiduciary fund. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through fees and charges, intergovernmental revenues, and other non-exchange revenues.

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

C. Fund Accounting-

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

The District Attorney maintains four funds. They are categorized as governmental funds and a fiduciary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District Attorney or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The District Attorney considers the following governmental funds to be major: General Fund and Title IV-D.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Notes to Financial Statements  
December 31, 2017

The funds of the District Attorney are described below:

Governmental Funds

Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the District Attorney include:

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Title IV-D

The Title IV-D Fund accounts for receipt and expenditure of federal reimbursement grants passed through 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 program 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

The Worthless Check Collection Fee Fund accounts for revenues derived from the 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.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District Attorney in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the District Attorney, these funds are not incorporated into the government-wide statements.

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D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District Attorney's office as a whole. Both of these statements have been prepared using the economic measurement focus and 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.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are 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 pay liabilities of the current period. The District Attorney considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Cash and Interest-Bearing Deposits-

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

F. Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

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Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Furniture, Fixtures & Equipment	5 years
Vehicles	5 years

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

#### G. Equity Classifications-

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

- a. Net investment in capital assets - consists of the capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - all other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

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- c. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- d. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$139,080. If applicable, the District Attorney would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

H. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, 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 revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. Budget-

Prior to the beginning of each fiscal year, the District Attorney adopts a budget for the next fiscal year for its general fund and each major special revenue funds. The budgets are open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budgets for the General Fund and IV-D Fund are prepared on the modified accrual basis of accounting.

J. Pensions-

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 positions of the District Attorney's Retirement System of Louisiana and the Parochial Employees' Retirement System of Louisiana and additions to/deductions from the Systems' fiduciary net positions have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

K. Deferred Outflows/Inflow of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

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2. Cash and Cash Equivalents:

The cash and cash equivalents of the District Attorney are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District Attorney will not be able to recover its deposits. 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 market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District Attorney's name.

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. Cash and cash equivalents are stated at cost, which approximates market. At December 31, 2017, the District Attorney has \$207,099 in collected bank balances. These deposits are fully secured by FDIC Insurance.

3. Interfund Transactions:

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the governmental funds. Transfers are primarily used to move operation monies to and from various funds. The summary of interfund operating transfers is as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfer Out</u>
General Fund	\$ 0	\$7,887
Special Revenue Funds- Title IV-D	<u>7,887</u>	<u>0</u>
Total	<u>\$7,887</u>	<u>\$7,887</u>

4. Compensated Absences:

Full-time employees earn ten days of vacation and sick leave annually. Vacation and sick leave may not be accumulated and there are no vesting privileges. Therefore, no entry is made for compensated absences.

5. Expenditures of the District Attorney Not Included in the Accompanying Financial Statements:

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the Red River Parish Police Jury or paid directly by the state. A portion of the salaries of the District Attorney and Assistant District Attorneys are paid directly by the state treasurer. The Red River Parish Police Jury pays certain other expenditures of the District Attorney.

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6. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2017, is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>1-1-17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-17</u>
Capital Assets- Depreciated:				
Office Furniture, Equipment	\$ 62,646	\$ 0	\$0	\$ 62,646
Vehicles	<u>23,340</u>	<u>0</u>	<u>0</u>	<u>23,340</u>
Total Capital Assets	\$ 85,986	\$ 0	\$0	\$ 85,986
Less, accumulated depreciation	<u>(71,700)</u>	<u>(4,067)</u>	<u>0</u>	<u>(75,767)</u>
Net Capital Assets	<u>\$ 14,286</u>	<u>\$(4,067)</u>	<u>\$0</u>	<u>\$ 10,219</u>

Depreciation expense of \$4,067 was charged to the judicial function.

7. Receivables:

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

<u>Class of Receivable</u>	<u>General</u> <u>Fund</u>	<u>IV-D</u> <u>Fund</u>	<u>Total</u>
Charges for Services	\$8,675	\$ 0	\$ 8,675
Intergovernmental Revenues	<u>0</u>	<u>22,580</u>	<u>22,580</u>
Total	<u>\$8,675</u>	<u>\$22,580</u>	<u>\$31,255</u>

8. Employee Retirement System

Substantially all employees of the District Attorney are members of the District Attorneys' Retirement System, State of Louisiana (DARS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by separate boards of trustees. Pertinent information relative to the plan follows:

A. General Information about the Plan

*Plan Description*

The District Attorney contributes to the District Attorneys' Retirement System, State of Louisiana, which is a cost-sharing multiple employer defined benefit pension plan. DARS was established on the first day of August, 1956 and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

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All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through DARS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

*Benefit Provided*

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

**Retirement**

Members who joined DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit, receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined DARS after July 1, 1990, or who elected to be covered by the new provisions, 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% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

**Disability Benefits**

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

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### **Survivor's Benefits**

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in DARS.

### **Cost-of-Living Increases**

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$600 per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, DARS must meet certain criteria detailed in the statute related to funding status and interest earnings.

### **Deferred Retirement Option Plan**

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

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

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Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 0%.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2017 and excluded from pension expense. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution was \$4,734.

The District Attorney's contractually required composite contribution rate for the year ended December 31, 2017 was 0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District Attorney were \$0 for the year ended December 31, 2017.

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2017 and 2016, the District Attorney reported a total of \$15,535 for its proportionate share of the Net Pension Liability of the Plan.

Plan	Measurement Date	
	June 30, 2017	June 30, 2016
DARS	\$15,535	\$11,071

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The Net Pension Liability was measured as of June 30, 2017 for DARS, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District Attorney's 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 the measurement date, the District Attorney's proportion was as follows:

Plan	Proportionate Share	
	June 30, 2017	June 30, 2016
DARS	.057595%	.057838%

For the year ended December 31, 2017 and 2016, the District Attorney recognized pension expense including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions as follows:

Plan	Measurement Date	
	June 30, 2017	June 30, 2016
DARS	\$5,665	\$4,360

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

	DARS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	4,084
Changes in Assumptions	6,965	1,833
Net Difference between projected and actual earnings on pension plan	6,234	-
Changes in employer's proportion of beg NPL	804	730
Differences between employer and proportionate share of contributions	43	-
Subsequent Measurement Contributions	-	-
Total	14,046	6,647

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

Year ended December 31:	
2018	\$ 462
2019	3,531
2020	1,521
2021	405
2022	692
2023	781
2024	7
Total	\$7,399

*Actuarial Assumptions*

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

<u>Assumptions</u>	<u>DARS</u>
Actuarial cost method	Entry age normal cost
Expected remaining service lives	7 years
Investment rate of return	6.750%
Inflation rate	2.500%
Salary increases	5.500%

Mortality rates for DARS were based on RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Mortality Tables (setback 1 year for females) for employees, annuitants and beneficiaries. RP-2000 Disabled Lives Table (setback 5 years for males and set back 3 years for females) for disabled annuitants. The mortality rate assumptions were based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014.

The long-term expected rate of return on DARS 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.

The rate is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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Best estimate of arithmetic real rate of return for each major asset class included in pension target asset allocation as of June 30, 2017 for DARS are summarized in the following table:

<u>Asset Class</u>	<u>DARS</u>	
	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	61.72%	11.31%
Fixed Income	28.95%	6.84%
Alternative	8.85%	10.50%
Other	0.48%	0.50%
Totals	<u>100%</u>	6.56%
Inflation		2.50%
Expected Nominal Return		<u>9.06%</u>

The discount rate used to measure the total pension liability was 6.75% for DARS. 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-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, DARS 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 of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District Attorney's proportionate share of the Net Pension Liability using the discount rate as shown above, as well as what the District Attorney's proportionate share of the Net Pension Liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
DARS	\$44,392	\$15,535	\$(8,987)

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net positions are available in the separately issued financial statements of the Plans.

*Payables to the Pension Plans*

These financial statements include a payable to PERS for \$233 to DARS, which is for the legally required contributions due at December 31, 2017. This amount is recorded in accrued expenses.

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9. Expenditures of the District Attorney Not Included in the Accompanying Financial Statements:

Certain expenses of the District Attorney’s office are paid by the Red River Parish Police Jury. In addition to furnishing the building where the District Attorney’s office is located, the Red River Parish Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the District Attorney’s office. The accompanying financial statements do not include certain expenditures of the District Attorney paid by the Red River Parish Police Jury.

10. On-Behalf Payments:

The accompanying financial statements include on-behalf payments made by the Red River Parish Police Jury and the State of Louisiana for salaries and related fringe benefits of the District Attorney’s employees, including contributions to PERS, as required by accounting principles generally accepted in the United States of America.

11. Litigation:

The District Attorney of the Thirty-Ninth Judicial District is a defendant in various lawsuits filed by inmates. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Thirty-Ninth Judicial District Attorney.

12. Federal Financial Assistance Programs:

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563. This program is funded by indirect assistance payments, in the form of reimbursements of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2017, the District Attorney of the Thirty-Ninth Judicial District expended \$161,210 in reimbursement payments.

The reimbursement payments are restricted by a formal agreement between the District Attorney and 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 Department of Social Services on a monthly basis.

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.

13. Changes in Fiduciary Fund – Agency Fund:

The following is a summary of the change in the agency fund unsettled balance for the year ended December 31, 2017:

<u>Fund</u>	<u>Balance</u> <u>01-01-17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-17</u>
Asset/Bond Forfeiture	<u>\$5,000</u>	<u>\$3,258</u>	<u>\$7,050</u>	<u>\$1,208</u>

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14. Post-Employment Benefits

The District Attorney does not provide any post-employment benefits; therefore, no disclosure for GASB 45 is required.

15. Subsequent Events:

Management has evaluated events through June 28, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

District Attorney of the Thirty-Ninth Judicial District  
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General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2017

	Budget <u>Original</u>	Budget <u>Amended</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:				
Charges for Services	\$ 69,500	\$ 70,000	\$ 74,081	\$ 4,081
Intergovernmental-				
State Grants	30,000	30,000	27,500	(2,500)
Other Grants	32,784	32,784	32,784	0
On Behalf Payments-				
Parish Government	0	230,000	230,149	149
On Behalf Payments-State	0	176,000	175,962	(38)
Miscellaneous	<u>8,262</u>	<u>2,500</u>	<u>2,726</u>	<u>226</u>
Total Revenues	<u>\$140,546</u>	<u>\$541,284</u>	<u>\$543,202</u>	<u>\$ 1,918</u>
EXPENDITURES:				
Current-				
General Government-				
Personnel Services & Benefits	\$127,384	\$486,000	\$489,663	\$(3,663)
Operating Expenses	9,842	25,000	23,177	1,823
Materials & Supplies	6,330	10,000	10,338	(338)
Travel & Other Charges	1,500	7,500	3,578	3,922
Professional Services	<u>10,027</u>	<u>12,000</u>	<u>11,945</u>	<u>55</u>
Total Expenditures	<u>\$155,083</u>	<u>\$540,500</u>	<u>\$538,701</u>	<u>\$ 1,799</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>(14,537)</u>	\$ <u>784</u>	\$ <u>4,501</u>	\$ <u>3,717</u>
OTHER FINANCING SOURCES:				
Operating Transfers In/(Out)	\$ <u>41,704</u>	\$ <u>(8,000)</u>	\$ <u>(7,887)</u>	\$ <u>113</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ 27,167	\$ (7,216)	\$ (3,386)	\$ 3,830
Fund Balance-Beginning of Year	<u>142,466</u>	<u>142,466</u>	<u>142,466</u>	<u>0</u>
Fund Balance-End of Year	<u>\$169,633</u>	<u>\$135,250</u>	<u>\$139,080</u>	<u>\$ 3,830</u>

See independent accountant's review report and notes to financial statements.

District Attorney of the Thirty-Ninth Judicial District  
Coushatta, Louisiana  
Title IV-D Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2017

	<u>Budget Original</u>	<u>Budget Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental-				
Federal Grants	\$150,472	\$144,000	\$142,985	\$(1,015)
Miscellaneous	<u>0</u>	<u>2</u>	<u>3</u>	<u>1</u>
Total Revenues	<u>\$150,472</u>	<u>\$144,002</u>	<u>\$142,988</u>	<u>\$(1,014)</u>
EXPENDITURES:				
Current-				
General Government-				
Personnel Services	\$100,712	\$132,000	\$132,217	\$ (217)
Travel	50	50	40	10
Operating Services	19,547	13,000	11,776	1,224
Supplies	<u>5,000</u>	<u>4,500</u>	<u>3,653</u>	<u>847</u>
Total Expenditures	<u>\$125,309</u>	<u>\$149,550</u>	<u>\$147,686</u>	<u>\$ 1,864</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 25,163	\$ (5,548)	\$ (4,698)	\$ 850
OTHER FINANCING USES:				
Operating Transfers In/(Out)	<u>(27,498)</u>	<u>8,000</u>	<u>7,887</u>	<u>(113)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (2,335)	\$ 2,452	\$ 3,189	\$ 737
Fund Balance-Beginning of Year	<u>32,546</u>	<u>32,546</u>	<u>32,546</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 30,211</u>	<u>\$ 34,998</u>	<u>\$ 35,735</u>	<u>\$ 737</u>

See independent accountant's review report and notes to financial statements.

District Attorney of the Thirty-Ninth Judicial District  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2017

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
District Attorney Retirement System (DARS)					
2015	0.054713%	\$ 2,947	\$35,000	8.42%	98.56%
2016	0.057838%	\$11,071	\$35,000	31.63%	95.09%
2017	0.057595%	\$15,535	\$35,000	44.39%	93.57%

See independent accountant's review report and notes to financial statements.

District Attorney of the Thirty-Ninth Judicial District  
Schedule of Employer's Contributions  
For the Year Ended December 31, 2017

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
District Attorney Retirement System (DARS)					
2015	\$1,838	\$1,838	\$0	\$35,000	5.25%
2016	\$ 613	\$ 613	\$0	\$35,000	1.75%
2017	\$ 0	\$ 0	\$0	\$35,000	0.00%

See independent accountant's review report and notes to financial statements.

District Attorney of the Thirty-Ninth Judicial District  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2017

Agency Head Name: Julie Jones, District Attorney

<u>Purpose</u>	<u>Amount</u>
<u>Paid by the DA's Office:</u>	
Salary	\$ 35,000
Benefits-Payroll Taxes	507
Vehicle Allowance	8,400
Office Expense Reimbursements	3,275
<u>Paid by the Red River Parish Police Jury:</u>	
Salary	40,000
Benefits- Insurance	4,203
Benefits- Payroll Taxes	543
<u>Paid by the State Treasurer:</u>	
Salary	50,000
Benefits- Retirement	4,000
Benefits- Payroll Taxes	725

See independent accountant's review report.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

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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*

To the Honorable Julie C. Jones, District Attorney  
Thirty-Ninth Judicial District  
P. O. Box 606  
Coushatta, Louisiana 71019-0606

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, the fiduciary fund, and the aggregate remaining fund information as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney of the Thirty-Ninth Judicial District of Louisiana (District Attorney) basic financial statements and have issued our report thereon dated June 28, 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'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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

  
Johnson, Thomas & Cunningham, CPA's  
Natchitoches, Louisiana

June 28, 2018

District Attorney of the Thirty-Ninth Judicial District  
Schedule of Audit Results  
Year Ended December 31, 2017

I. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the District Attorney of the Thirty-Ninth Judicial District.
2. There were no material weaknesses identified in internal control during the audit of the financial statements.
3. There were no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. Findings in Accordance with Governmental Auditing Standards

None identified.

III. Prior Year Findings

*Condition* – For the year ended December 31, 2016, the District Attorney did not follow the requirements of the Local Government Budget Act in that proper amendments were not made to ensure the five percent variance was met for General Fund revenues and Title IV-D expenditures.

*Status* – This condition cleared as of December 31, 2017.

# Johnson, Thomas & Cunningham

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

Honorable Julie C. Jones, District Attorney  
Thirty-Ninth Judicial District  
Coushatta, LA 71019-0606

We have performed the procedures enumerated below, which were specified and agreed to by the Honorable Julie C. Jones, District Attorney of the Thirty-Ninth Judicial District to assist the District Attorney in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. We are required to perform each procedure and report the results, including any exceptions. Agency is responsible for internal controls and compliance with laws and regulations relative to the SAUPs and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Agency. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are enumerated below.

#### *Written Policies and Procedures*

---

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

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

*Written policies and procedures were obtained and address the functions noted above.*

- **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and we noted the policy does not express how and whom approves the disbursements.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- **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.

*Written policies and procedures were obtained and address the functions noted above; however, the District Attorney does not have any credit cards at this time.*

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

*Written policies and procedures were obtained and address the functions noted above.*

- **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.

*Written policies and procedures were obtained and address the functions noted above.*

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

*No written policies and procedures were obtained due to debt service not being applicable to the District Attorney's office at this time.*

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

---

2. We obtained and reviewed the board/committee minutes for the fiscal period, and:

- Determined 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 an elected official with no governing board; therefore, there are no minutes to review.*

- Determined 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 an elected official with no governing board; therefore, there are no minutes to review.*

- Determined 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 an elected official with no governing board; therefore, there are no minutes to review.*

***Bank Reconciliations***

---

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

*We were provided with the listing by management.*

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). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- Bank reconciliations have been prepared;

*The District Attorney has 9 bank accounts total, and we selected 3 of the bank accounts. We obtained bank statements and reconciliations for all months in the fiscal period, noting that reconciliations have been prepared for all months, without exception.*

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

*Bank reconciliations obtained did contain evidence that management reviewed the bank reconciliations.*

- 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.

*Bank reconciliations obtained did not contain any reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.*

### ***Collections***

---

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

*Management provided the listing as requested.*

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). For each cash collection location selected:

- 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.

*Management provided the documentation for the selected locations.*

- 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.

*Management provided the documentation for the collection location and the District Attorney does have written policies and procedures related to the reconciling of cash collections to the general ledger, by a person who is not responsible for cash collections.*

- Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, 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.

*EXCEPTION – Management provided the required documentation for all deposits. Some deposits were made up to 18 days after the date of receipt.*

- 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.

*Collection documentation was completely supported by documentation.*

7. We obtained existing written documentation (e.g. policy manual, written procedure) and determined 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.

*Management provided the written procedures for collections, which does address the process to determine completeness of 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.

*We obtained the general ledger and sorted for disbursements. We obtained management’s representation that the general ledger population was complete.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- 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.

*EXCEPTION – Purchase disbursements selected are not initiated using a purchase order system.*

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

*EXCEPTION – Each selection did not show evidence of approval by a person who did not initiate the purchase.*

- Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*All appropriate documentation was provided for each applicable selection, without exception.*

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.

*EXCEPTION – The person responsible for processing payments is not prohibited from adding vendors to the District Attorney's purchasing 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.

*EXCEPTION – We obtained the required documentation and noted that persons with signatory authority are responsible for initiating and recording purchases.*

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and 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.

*We noted all unused checks are kept in locked drawers.*

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.

*The District Attorney does not have a signature stamp.*

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

---

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

*The District Attorney has no credit cards of any type.*

15. Using the listing prepared by management, we selected the one card used during the fiscal period.

We obtained the monthly statements for the selected card. We selected the monthly statement with the largest dollar activity and:

- Determined whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*The District Attorney has no credit cards of any type.*

- Report whether finance charges and/or late fees were assessed on the selected statements.

*The District Attorney has no credit cards of any type.*

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for the card selected.

- For each transaction, we determined whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

*The District Attorney has no credit cards of any type.*

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

*The District Attorney has no credit cards of any type.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization).

*The District Attorney has no credit cards of any type.*

- For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*The District Attorney has no credit cards of any type.*

- For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). 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.

*The District Attorney has no credit cards of any type.*

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

---

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

*We obtained the general ledger and sorted for disbursements. We obtained management's representation that the general ledger population was complete.*

18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*Policies were obtained. No amounts listed exceed GSA rates.*

19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- We compared expense documentation to written policies and determined 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 (#18 above) and report each reimbursement that exceeded those rates.

*No exceptions noted.*

- We determined 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.*

- We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). 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.*

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

*No exceptions noted.*

*Contracts*

---

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

*Management provided the requested listing and representation.*

21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

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

*Formal/written contracts were provided to support the agreements.*

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

*No noncompliance noted.*

- 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.

*We noted no exceptions for amendments to the contracts selected.*

- Selected the largest payment from each of the five contracts, 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.

*No exceptions noted.*

- 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).

*No exceptions noted.*

***Payroll and Personnel***

---

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. We randomly selected five employees/officials, obtained their personnel files, and:

- a) Reviewed 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.

*No exceptions noted.*

- b) Reviewed 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.

*Changes made to hourly pay rates/salaries were approved in writing.*

23. We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Determined 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.)

*All four of the employees selected documented daily attendance and leave.*

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

*Supervisory approvals were noted on all selections, without exception.*

- 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.

*We observed the written leave records maintained for all selections, without exception.*

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We noted whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*There were no employees/officials terminated during the fiscal period. This section is not applicable.*

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We determined 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.

*We obtained documentation relating to payroll taxes and retirement contributions, no exceptions were noted.*

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, we obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

*Ethics training documentation was found for the five randomly selected employees which were selected for payroll and personnel procedures.*

27. We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. We determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Per inquiry of management, there were no alleged ethics violations reported to the City during the fiscal period.*

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

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28. If debt was issued during the fiscal period, we obtained supporting documentation from the entity, and determined whether State Bond Commission approval was obtained.

*Not applicable – No debt was issued during the fiscal period.*

29. If the entity had outstanding debt during the fiscal period, we obtained supporting documentation from the entity and determined whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*Not applicable – No outstanding debt during the fiscal period.*

30. If the entity had tax mileages relating to debt service, we obtained supporting documentation and determined whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, we determined whether any mileages continue to be received for debt that has been paid off.

*Not applicable.*

*Other*

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31. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and noted whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Per discussion with the District Attorney, there were no funds or assets misappropriated during the period.*

32. We observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*We viewed the notice required by R.S. 24:523.1 posted on the District Attorney's premises*

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

*Not applicable – no exceptions noted.*

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 the Statewide Agreed-Upon Procedures. 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.

This report is intended solely for the information and use of the Agency and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

*Johnson, Thomas & Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

June 28, 2018  
Natchitoches, Louisiana

District Attorney of the Thirty-Ninth Judicial District  
Management's Response to Exceptions to  
Statewide Agreed-Upon Procedures  
For the Year Ended December 31, 2017

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

- Item 6: The District Attorney will endeavor to ensure all collections are deposited within 1-2 business days of receipt.
- Item 9: We do not feel that purchase orders are necessary; however, all requests are verbally approved by the District Attorney before purchases are initiated. Additionally, in some cases, the District Attorney may initiate and approve purchases.
- Item 10: The accounting system does not allow for this level of user restriction; however, it is monitored by the District Attorney.
- Item 11: We feel that safeguards are in place to ensure compliance with disbursements. The District Attorney is the governing board and hand signs all disbursements and can initiate purchases.