

BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DISTRICT ATTORNEY OF THE THIRTY-FIRST
JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

December 31, 2017

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Annual Financial Statements
As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules

C O N T E N T S

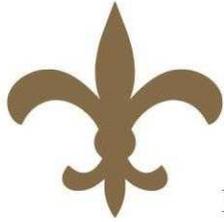
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DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Annual Financial Statements
As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules

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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

Honorable Michael C. Cassidy
District Attorney of the Thirty-First Judicial District
Parish of Jefferson Davis, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Thirty-First Judicial District, as of December 31, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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 District Attorney'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 District Attorney's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. My opinion on the basic financial statements is not affected by this missing information.

Honorable Michael C. Cassidy
District Attorney of the
Thirty-First Judicial District
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Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of compensation and benefits paid the District Attorney are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and District Attorney's compensation and benefits are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 8, 2018, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Handwritten signature in blue ink that reads "J. Aaron Coopers, CPA, LLC".

June 8, 2018

BASIC FINANCIAL STATEMENTS

STATEMENT A

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Statement of Net Position

December 31, 2017

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 1,219,050
Due from other governmental units	257,690
Interfund receivables	102,374
Prepaid expenses	3,207
Capital assets (net)	79,624
TOTAL ASSETS	1,661,945
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferrals	320,438
LIABILITIES	
Accounts payable	16,657
Payroll deductions and accrued benefits payable	27,583
Due to other governments	111,813
Interfund payables	102,078
Net pension liability	274,748
TOTAL LIABILITIES	532,879
DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	81,716
NET POSITION	
Invested in capital assets, net of related debt	79,624
Restricted for:	
IV-D Program	23,030
Unrestricted	1,265,134
TOTAL NET POSITION	\$ 1,367,788

The accompanying notes are an integral part of this financial statement.

STATEMENT B

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenues</u>
		<u>Services and Use</u>	<u>Grants and</u>	<u>and Changes</u>
Governmental Activities			<u>Contributions</u>	<u>in Net Position</u>
Judicial activities	\$ 1,856,171	\$ 1,154,780	\$ 1,050,455	\$ 349,064
General Revenues:				
Investment earnings				3,348
Change in Net Position				352,412
Net Position-beginning				1,015,376
Net Position-ending				\$ 1,367,788

The accompanying notes are an integral part of this financial statement.

STATEMENT C

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Balance Sheet-Governmental Funds

December 31, 2017

	General Fund	Drug Forfeiture Fund	Pretrial Intervention Fund	Other Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 355,826	\$ 374,284	\$ 408,643	\$ 80,297	\$ 1,219,050
Due from other governments	73,875	-	175,619	8,196	257,690
Interfund receivables	102,078	-	-	296	102,374
Prepaid expenses	667	-	2,540	-	3,207
Total Assets	\$ 532,446	\$ 374,284	\$ 586,802	\$ 88,789	\$ 1,582,321
LIABILITIES					
Accounts payable	\$ 16,310	\$ -	\$ -	\$ 347	\$ 16,657
Payroll deductions and accrued benefits payable	26,806	-	-	777	27,583
Due to other governments	-	-	111,813	-	111,813
Interfund payables	-	-	89,549	12,529	102,078
Total Liabilities	43,116	-	201,362	13,653	258,131
FUND BALANCES					
Restricted:					
IV-D Fund Activity	-	-	-	23,030	23,030
Assigned	-	374,284	385,440	52,106	811,830
Unassigned	489,330	-	-	-	489,330
Total Fund Balances	489,330	374,284	385,440	75,136	1,324,190
Total Liabilities and Fund Balances	\$ 532,446	\$ 374,284	\$ 586,802	\$ 88,789	\$ 1,582,321

The accompanying notes are an integral part of this financial statement.

STATEMENT D

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Reconciliation of the Balance Sheet-Governmental Funds
to the Statement of Net Position

December 31, 2017

Fund Balances, Total Governmental Funds (Statement C) \$ 1,324,190

Amounts reported for governmental activities in the
Statement of Net Position are different because:

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

Capital Assets	\$ 330,424	
Less: Accumulated Depreciation	<u>(250,800)</u>	79,624

In accordance with Governmental Accounting Standards Board
Statement No. 68, the net pension liability related to pension plans,
deferred outflows of resources, and deferred inflows of resources
are not recorded in the governmental funds.

Net Pension Liability	(274,748)
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Deferred Outflows of Resources:

Pension related deferrals	320,438
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Deferred Inflows of Resources:

Pension related deferrals	<u>(81,716)</u>
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Net Position of Governmental Activities (Statement A)	<u>\$ 1,367,788</u>
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The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2017

	General Fund	Drug Forfeiture Fund	Pretrial Intervention Fund	Other Funds	Total Governmental Funds
REVENUES					
Commissions on fines and forfeitures	\$ 120,198	\$ 12,784	\$ 914,544	\$ 7,446	\$ 1,054,971
Intergovernmental revenues:					
Federal	-	-	-	64,596	64,596
State	263,335	-	-	33,277	296,612
Parish	689,248	-	-	-	689,248
Charges for services	-	-	99,809	-	99,809
Interest earnings	1,487	1,376	40	445	3,348
Total Revenues	<u>1,074,268</u>	<u>14,160</u>	<u>1,014,393</u>	<u>105,764</u>	<u>2,208,584</u>
EXPENDITURES					
Current:					
General government - judicial:					
Salaries and related benefits	1,224,528	-	-	44,364	1,268,892
Advertising, dues and subscriptions	40,355	-	-	-	40,355
Communications	22,950	-	-	4,073	27,023
Anti-drug programs and advertising	-	1,105	-	-	1,105
Repairs and maintenance	6,367	-	-	-	6,367
Professional services	90,206	-	-	-	90,206
Insurance	135	-	7,762	-	7,897
Office supplies	15,715	-	5,741	10	21,466
Operating supplies/programs	66,817	-	7,975	-	74,792
Travel and professional development	14,731	-	-	-	14,731
LACE program	-	-	373,705	-	373,705
Intergovernmental expenditures:					
Distributions to other governments					
LACE	17,081	-	-	-	17,081
Total Expenditures - Judicial:	<u>1,498,885</u>	<u>1,105</u>	<u>395,183</u>	<u>48,447</u>	<u>1,943,619</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(424,617)</u>	<u>13,055</u>	<u>619,210</u>	<u>57,317</u>	<u>264,965</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	494,208	-	-	1,500	495,708
Operating transfers out	(1,500)	-	(434,648)	(59,560)	(495,708)
Total Other Financing Sources and (Uses)	<u>492,708</u>	<u>-</u>	<u>(434,648)</u>	<u>(58,060)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	68,091	13,055	184,562	(743)	264,965
FUND BALANCES-BEGINNING OF YEAR	421,239	361,229	200,878	75,879	1,059,225
FUND BALANCES-END OF YEAR	<u>\$ 489,330</u>	<u>\$ 374,284</u>	<u>\$ 385,440</u>	<u>\$ 75,136</u>	<u>\$ 1,324,190</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT F

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances-Governmental Funds
to the Statement of Activities

For the Year Ended December 31, 2017

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	264,965
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Amounts reported for governmental activities
in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlay	\$	-	
Depreciation		<u>(26,302)</u>	(26,302)

In accordance with Governmental Accounting Standards Board
Statement No. 68, the net pension liability related pension is not
required to be recorded in the governmental fund financial statements.
Adjustments to pension expense related to changes in deferred outflows
of resources and deferred inflows of resources are reflected in the
Statement of Activities:

Net change in pension expense		<u>113,749</u>
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Change in Net Position of Governmental Activities, Statement B	\$	<u><u>352,412</u></u>
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The accompanying notes are an integral part of this financial statement.

STATEMENT G

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Statement of Fiduciary Net Position

December 31, 2017

	<u>TOTAL AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	<u>\$ 55,722</u>
TOTAL ASSETS	<u><u>\$ 55,722</u></u>
LIABILITIES	
Due to others	<u>\$ 55,722</u>
TOTAL LIABILITIES	<u><u>\$ 55,722</u></u>

The accompanying notes are an integral part of this financial statement.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements

For the Year Ended December 31, 2017

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of Jefferson Davis and the office is located in the parish courthouse in the City of Jennings, Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

- Financial benefit or burden
- Appointment of a voting majority
- Imposition of will
- Fiscally dependent

Certain transactions between the District Attorney and the Jefferson Davis Parish Police Jury are mandated by state statute and do not reflect fiscal dependency; they do not reflect financial accountability. The other three criteria of financial accountability do not pertain to the District Attorney when applying them as a means of identifying potential component units of the Jefferson Davis Parish Police Jury.

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.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

B. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. GASB is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

The District Attorney's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The District Attorney adopted Governmental Accounting Standards Board Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Collectively, these statements changed the government-wide Statements of Net Assets from three elements to five, adding deferred outflows and deferred inflows and renamed it to the Statement of Net Position. Certain items previously reported as assets and liabilities such as loan organization fees and non-exchange revenue for future periods are reclassified to deferred outflows or inflows, or are no longer carried on the Statement of Net Position.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District Attorney. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as general revenues.

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

Fund Financial Statements (FFS)

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as a separate column in the fund financial statements.

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Attorney functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The following fund types are used by the District Attorney:

Governmental Funds: Governmental funds account for most of the District Attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District Attorney.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

The following are the District Attorney's major governmental funds:

General Fund - The primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy. The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

Drug Forfeiture Special Revenue Fund - The Drug Forfeiture Special Revenue Fund consists of 20% of the fines collected and bonds forfeited under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 as prescribed under LRS 40:2616. At the discretion of the District Attorney, these funds are put in this special revenue fund instead of the general fund as allowed by law. As provided by LRS 40:2616, these funds can be used for public purposes including, but not limited to, prosecution, rewards, support, and continuing legal education in furtherance of Chapter 26 Title 40.

Pre-Trial Intervention Special Revenue Fund - The Pre-Trial Intervention Special Revenue Fund was established by the District Attorney to isolate the program revenues and expenditures. The program is a diversion program which is offered to selected non-violent offenders as an alternative to prosecution. Participants receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. The revenues for this fund are derived from charges for services to participants and operating transfers from other funds of the District Attorney.

Additionally, the following are the District Attorney's nonmajor governmental funds:

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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

Fiduciary Funds: Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District Attorney's fiduciary funds include:

Escrow Agency Fund - The Escrow Agency Fund was created to account for collections by the District Attorney's office which are to be distributed to other agencies and victims of crimes.

Drug Asset Seizure Agency Fund - The Drug Asset Seizure Agency fund was established in compliance with Louisiana Revised Statute 40:2616, which provides that the proceeds of any sale and any monies forfeited or obtained by judgment or settlement under the Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989 shall be deposited into a special trust fund until the court determines equitable distribution of these funds.

The law provides that the District Attorney shall administer expenditures from this fund in the following priority:

- For satisfaction of any bona fide security interest or lien.
- Thereafter, for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, and court costs.
- The remaining funds are to be allocated 60% to the law enforcement agency or agencies making the seizure, 20% to the criminal court fund, and 20% to the District Attorney's office.

Worthless Check Escrow Agency Fund - This fund was established to account for collections of worthless check restitution and fees to be distributed to victims and other government agencies.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

C. Basis of Accounting/Measurement Focus

Government Wide Financial Statements (GWFS)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and Agency Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they measurable and available to pay current period liabilities.

“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 generally considers revenue as available if it is collected within 60 days of the end of the fiscal year. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met and the resources are measurable and available. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due. Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

D. Cash, Cash Equivalents, and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments may include instruments or obligations issued by the United States Government or its agencies, or any other federally-issued investment.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 since the District Attorney does not have a formal investment policy. Funds which are available for investment and above immediate cash requirements can be invested in statutorily-sanctioned investments including direct U.S. Treasury obligations, bonds, debentures, notes, or certificates issued by or guaranteed by federal agencies, or time certificate of deposit in any bank domiciled or have a branch office in Louisiana or any other federally-insured investment. Statutorily-sanctioned investments also include funds invested with external local government investment pools such as Louisiana Asset Management Pool.

When investments are present in the financial statements they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting/or Certain Investments and for External Investment Pools*:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money-market investments and participating interest-earning investment contracts that have remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

E. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result from goods provided or services rendered in amounts owed between funds. These receivables and payables are classified as interfund receivable/payables on the Funds Financial Statement (FPS) balance sheet. Short-term interfund loans are also classified as interfund receivables/payables. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

properly applicable to another fund and are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

F. Estimates

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

G. Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payable were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities.

H. Subsequent Events

Subsequent events were evaluated through June 15, 2018, which is the date the financial statements were available to be issued. Management determined that no events occurred that require disclosure.

I. Risk Management

The District Attorney's office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney carries commercial insurance for errors and omissions. All other risks of loss are covered by commercial insurance provided by the Police Jury. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

J. Capital Assets

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

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are capitalized at historical cost or estimated historical 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 capital assets. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred.

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 estimated useful life by type of asset is as follows:

Vehicles	5 years
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

K. Compensated Absences

The District Attorney has the following policy relating to vacation and sick leave:

Vacations

Clerical personnel are granted ten working days per year for the first through the fifth year of service, fifteen working days per year for the sixth through the twelfth year; and twenty working days per year for service beyond twelve years. Primarily all of the clerical personnel's salaries are paid by the police jury's criminal court fund. This part of the vacation liability applies to the police jury and not the District Attorney's office. However, vacation time must be taken before the end of the year or it is forfeited. The District Attorney does not allow vacation time to accumulate or vest beyond year end.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

All District Attorneys and the administrative and investigative assistants are authorized ten working days per year for the first year of service, then fifteen working days per year for the second through tenth year of service; and twenty-five days per year after ten years of service.

Vacation time must be used before the end of the year or it is forfeited. The District Attorney does not allow vacation time to accumulate or vest beyond year end.

Sick Leave

Each employee shall accrue sick leave at the rate of one day per month the first five years, and then one-and-a-half days per month for all years thereafter. Accumulated sick leave cannot exceed 35 days. Employees cannot be paid for accrued sick leave when they resign, retire or are terminated.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure in the governmental funds when the leave is actually taken. As of December 31, 2017, the District Attorney did not have a liability for accrued vacation leave since this benefit does not vest past year end. Therefore the financial statements do not contain a liability for unpaid vacation pay. This District Attorney does not accrue a liability for nonvesting accumulating rights to receive sick pay benefits as allowed by GASB C60.611.

L. Fund Equity

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

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

When both restricted and unrestricted resources are available for use, it is the District Attorney's policy to use restricted resources first, then unrestricted resources as needed. In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

- a. *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* - amounts that can be used only for specific purposes determined by a formal decision of the District Attorney, which is the highest level of decision-making authority for the District Attorney of the Thirty-First Judicial District.
- d. *Assigned* – spendable amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. *Unassigned* - all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District Attorney considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in their commitment or assignment actions.

M. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District Attorney, which are either unusual in nature or infrequent in occurrence.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

2. DEPOSITS AND INVESTMENTS

Cash and equivalents include demand deposits and certificates of deposit at local financial institutions with a carrying value of \$1,068,416 and investments in external investment pools with a carrying value of \$206,356 at December 31, 2017. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2017, the District Attorney's bank balances of \$1,090,118 were insured by Federal Deposit Insurance Corporation (FDIC) (Category 1) in the amount of \$662,880 and by pledged securities (Category 3) in the amount of \$427,238. Therefore, the District Attorney was not exposed to custodial credit risk at December 31, 2017.

Louisiana Asset Management Pool (LAMP), a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purpose of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

3. DUE FROM OTHER GOVERNMENTS

Accounts receivable at year end are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Title IV-D</u>	<u>Pretrial Intervention</u>	<u>Total</u>
Due from other governments:				
LACE Program	\$ -	\$ -	\$ 175,619	\$ 175,619
Operating subsidies	50,369	-	-	50,369
Court Fines	6,184	-	-	6,184
Victim Assistance Program	17,322	-	-	17,322
Title IV-D administrative	-	8,196	-	8,196
	<u>\$ 73,875</u>	<u>\$ 8,196</u>	<u>\$ 175,619</u>	<u>\$ 257,690</u>

4. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at year end were as follows:

Fund due to:	<u>Due from</u>			<u>Total</u>
	<u>Title IV-D</u>	<u>Pretrial Intervention</u>	<u>Agency Fund</u>	
General Fund	\$ 12,529	\$ 89,549	\$ -	\$ 102,078
Others Funds	-	-	296	296
	<u>\$ 12,529</u>	<u>\$ 89,549</u>	<u>\$ 296</u>	<u>\$ 102,374</u>

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

5. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets:				
Vehicles	\$ 102,769	\$ -	\$ -	\$ 102,769
Improvements	107,536	-	-	107,536
Equipment and furniture	112,549	-	-	112,549
Other	7,570	-	-	7,570
Total capital assets	<u>330,424</u>	<u>-</u>	<u>-</u>	<u>330,424</u>
Less accumulated depreciation:				
Vehicles	41,202	16,268	-	57,470
Improvements	79,160	4,472	-	83,632
Equipment and furniture	96,916	5,487	-	102,403
Other	7,220	75	-	7,295
Total accumulated depreciation	<u>224,498</u>	<u>26,302</u>	<u>-</u>	<u>250,800</u>
Capital assets - net	<u>\$ 105,926</u>	<u>\$ (26,302)</u>	<u>\$ -</u>	<u>\$ 79,624</u>

Depreciation expense of \$26,302 was charged to judiciary government function.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

6. CHANGES IN AGENCY DEPOSITS DUE TO OTHERS

A summary of changes in agency deposits due to others follows:

	Escrow Fund	Drug Asset Seizure Fund	Worthless Checks Escrow Fund	Total
Balances, December 31, 2016	\$ 25,982	\$ 58,901	\$ 927	\$ 85,810
Additions:	21,561	30,776	50,796	103,133
Reductions:	(14,982)	(67,644)	(50,595)	(133,221)
Balances, December 31, 2017	\$ 32,561	\$ 22,033	\$ 1,128	\$ 55,722

7. PENSION PLANS

A. Louisiana District Attorney's Retirement System

Plan Description. The District Attorneys' Retirement System, State of Louisiana, is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established in 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.

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 board for assistant district attorneys. 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 the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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.

Members who joined the System 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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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 the System 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 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 three percent (three and one-half percent 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 fifteen years) or projected continued service to age sixty.

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 the System.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five 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, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

In lieu of receiving a 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 three years 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 the 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.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to three years 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 one percent. 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.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116- 2091, or by calling (504) 947-5551.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

Funding Policy. Plan members are required by state statute to contribute 8% percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. Contributions to the System also include .2% of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. For the year ended December 31, 2017, the actual employer contribution rate was 0%. The District Attorney's member contributions to the System for the years ending December 31, 2017, 2016, and 2015, were \$19,505, \$14,391 and \$22,764, respectively; equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The District Attorney's proportionate share of the Net Pension Liability is allocated based on the June 30, 2017, measurement date. The District Attorney uses this method to record its net pension liability and associated amounts as of December 31, 2017, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2017, along with the change compared to the December 31, 2016 rate. The District Attorney's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at <u>December 31, 2017</u>	Rate at <u>December 31, 2017</u>	Increase (Decrease) to <u>December 31, 2016</u>
District Attorney's Retirement System	\$ 122,507	0.0454%	(0.0001%)

The following lists the District Attorney's recognized pension expense for the Louisiana District Attorney's Retirement System:

District Attorney's Retirement System	\$ 46,865
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DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District Attorney's Retirement System		
Differences between expected and actual experience	\$ -	\$ (32,207)
Change of assumptions	54,925	(14,457)
Net difference between projected and actual earnings on pension plan investments	49,164	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,185	(8,357)
Employer contributions subsequent to the measurement date	-	-
Total	\$ 117,274	\$ (55,021)

The District Attorney reported a total of \$-0- as deferred outflow or resources related to pension contributions made subsequent to the measurement period of June 30, 2016. Employers were not required to make contributions through December 31, 2017.

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

	Year	Amount
District Attorney's Retirement System		
	2018	\$ 5,791
	2019	29,991
	2020	12,847
	2021	2,176
	2022	4,443
	2023	7,005
		\$ 62,253

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.50% (2.5% Inflation, 3.00% Merit)
Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA for employees, annuitant, and beneficiaries. RP 2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females was selected for disabled annuitants.
Expected Remaining Service Lives	7 years
Cost-of-Living Adjustments	Only those previously granted

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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

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

<u>Asset Class</u>	Long-Term Target Asset <u>Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	61.72%	11.31%	
Fixed Income	28.95%	6.84%	
Alternatives	8.85%	10.50%	
Cash	0.48%	0.50%	
Totals	<u>100.00%</u>		6.56%
Inflation			<u>2.50%</u>
Expected Nominal Rate of Return			<u>9.06%</u>

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the District Attorney calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	Changes in Discount Rate		
	2017		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.75%	6.75%	7.75%
Net Pension Liability/(Asset)	<u>\$349,927</u>	<u>\$122,507</u>	<u>(\$70,844)</u>

Payables to Pension Plan: The District Attorney recorded accrued liabilities to the System for the year ended December 31, 2017. The amount due was \$1,917, which is made up of employee contributions.

B. Parochial Employees' Retirement System of Louisiana (PERS)

Plan Description. Substantially all employees of the District Attorney's office, exclusive of the District Attorney and the assistant District Attorneys, are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the District Attorney are members of Plan A.

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Benefits 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.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty or more years of creditable service.
2. Age 55 with twenty-five years of creditable service.
3. Age 60 with a minimum of ten years of creditable service.
4. Age 65 with a minimum of seven years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty years of service.
2. Age 62 with ten years of service.
3. Age 67 with seven years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Deferred Retirement Option Plan (DROP) Benefits: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for members who are eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits: For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Survivor's Benefits: Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member shall be paid an Option 2 benefit beginning at age 50.

Cost-of-Living Increases: The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost-of-living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost-of-living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

Contributions: According to state statute, contributions for all employers are actuarially determined each year. The District Attorney's contractually required contribution rate for the year ended December 31, 2016, was 10.52% 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. However, the actual rate for the fiscal year ending December 31, 2016 was 13.00%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

income are used as additional employer contributions and are considered support from non-employer contributing entities. Contributions to the pension plan from the District Attorney were \$55,773 for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The District Attorney's proportionate share of the Net Pension Liability is allocated based on the December 31, 2016 measurement date. The District Attorney uses this method to record its Net Pension Liability and associated amounts as of December 31, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2017, along with the change compared to the December 31, 2016 rate. 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.

	Net Pension Liability at <u>December 31, 2017</u>	Rate at <u>December 31, 2017</u>	Increase (Decrease) to <u>December 31, 2016</u>
District Attorney's Retirement System	\$ 152,241	0.0739%	(0.0013%)

The following lists the District Attorney's recognized pension expense for the Parochial Employees' Retirement System of Louisiana:

District Attorney's Retirement System	\$ 90,683
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DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
District Attorney's Retirement System		
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	28,904	(26,641)
Net difference between projected and actual earnings on pension plan investments	118,145	
Changes in proportion and differences between employer contributions and proportionate share of contributions	342	(54)
Employer contributions subsequent to the measurement date	55,773	-
Total	\$ 203,164	\$ (26,695)

Deferred outflows of resources of \$55,773 related to PERS resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2017.

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

	Year	Amount
District Attorney's Retirement System		
	2017	\$ 45,001
	2018	47,794
	2019	31,093
	2020	(3,192)
		\$ 120,696

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Plan A - Entry Age Normal
Investment Rate of Return	7.00% (net of investment expense, including inflation)
Expecting Remaining Service Lives	4 years
Projected Salary Increases	Plan A - 5.25% (2.75% Merit/2.50% Inflation)
Costs-of-Living Adjustment	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
Totals	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

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

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

Sensitivity to Changes in Discount Rate: The following presents the District Attorney's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District Attorney's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	PLAN A		
	Changes in Discount Rate		
	2017		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	6.00%	7.00%	8.00%
	<u> </u>	<u> </u>	<u> </u>
Net Pension Liability/(Asset)	<u>\$455,415</u>	<u>\$152,241</u>	<u>(\$104,101)</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Annual Financial Report at www.persla.org or www.lla.state.la.us.

Payables to Pension Plan: The District Attorney recorded accrued liabilities to the System for the year ended December 31, 2017. The amount due was \$23,335, which included both employer and employee contributions.

8. EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The District Attorney's offices are located in the Jefferson Davis Parish courthouse. The Jefferson Davis Parish Police Jury pays for the upkeep and maintenance of the courthouse. The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the parish governing bodies or directly by the state.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

9. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

10.

The Jefferson Davis Parish Police Jury's General Fund and Criminal Court Fund and the State of Louisiana pay a portion of the salaries and benefits of the District Attorney's office. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with Governmental Accounting Standards Board Statement 24, as intergovernmental revenues and expenditures as follows:

Intergovernmental Revenues:

State	\$ 233,335
Parish	<u>606,669</u>
Total	<u><u>\$ 840,004</u></u>

Expenditures:

Salaries and related benefits	\$ 713,585
Office expenditures	<u>126,419</u>
	<u><u>\$ 840,004</u></u>

The above amounts include \$56,119 paid to the Parochial Employees' Retirement System of Louisiana for pension contributions for the District Attorney's employees.

11. CONTINGENCIES

The District Attorney participates in a number of federal and state financial assistance programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the District Attorney feels such amounts, if any, would be immaterial to the financial statements. Accounts receivable for related amounts at year end amounted to \$50,369.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA

Notes to the Financial Statements - Continued

For the Year Ended December 31, 2017

12. RELATED PARTY TRANSACTIONS

Certain operating expenditures of the District Attorney's office have been reimbursed by the Jefferson Davis Parish Police Jury, as required by Louisiana law, and are included in the accompanying financial statements as expenditures. The reimbursements paid by the Police Jury are recorded as intergovernmental revenue in the accompanying financial statements. These expenditures include among other things the provision of office facilities including utilities and insurance. (See Note 9)

13. LEASES AND COMMITMENTS

The District Attorney's office currently leases certain office equipment and signage. These leases have been classified as operating leases and, as such, rental payments have been recorded as an operating expenditure. Total rent expense for the year ended December 31, 2017 was \$9,000.

REQUIRED SUPPLEMENTARY INFORMATION

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
General Fund**

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Commissions on fines and forfeitures	\$ 185,500	\$ 143,800	\$ 120,198	\$ (23,602)
Intergovernmental revenues:				
State	260,000	260,000	263,335	3,335
Parish	658,800	658,800	689,248	30,448
Interest earnings	500	500	1,487	987
Other revenues	500	500	-	(500)
Total revenues	<u>1,105,300</u>	<u>1,063,600</u>	<u>1,074,268</u>	<u>10,668</u>
EXPENDITURES				
Current:				
General government-Judicial:				
Salaries and related benefits	1,250,000	1,289,150	1,224,528	64,622
Advertising, dues and subscriptions	40,000	42,000	40,355	1,645
Communications	500	500	22,950	(22,450)
Repairs and maintenance	10,000	10,000	6,367	3,633
Professional services	55,000	55,000	90,206	(35,206)
Insurance	10,000	10,000	135	9,865
Office supplies	15,000	15,000	15,715	(715)
Operating supplies	4,000	4,000	66,817	(62,817)
Travel and professional development	18,000	18,000	14,731	3,269
Other expenditures	2,000	2,000	-	2,000
Intergovernmental expenditures:				
Distributions to other governments-LACE	200,000	175,000	17,081	157,919
Capital outlay	5,000	38,000	-	38,000
Total expenditures	<u>1,609,500</u>	<u>1,658,650</u>	<u>1,498,885</u>	<u>159,765</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(504,200)</u>	<u>(595,050)</u>	<u>(424,617)</u>	<u>170,433</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	310,000	375,500	494,208	118,708
Operating transfers out	-	(7,500)	(1,500)	6,000
Total other financing sources (uses)	<u>310,000</u>	<u>368,000</u>	<u>492,708</u>	<u>124,708</u>
NET CHANGE IN FUND BALANCE	<u>(194,200)</u>	<u>(227,050)</u>	<u>68,091</u>	<u>295,141</u>
FUND BALANCE-BEGINNING OF YEAR	<u>421,239</u>	<u>421,239</u>	<u>421,239</u>	<u>-</u>
FUND BALANCE-END OF YEAR	<u>\$ 227,039</u>	<u>\$ 194,189</u>	<u>\$ 489,330</u>	<u>\$ 295,141</u>

The accompanying notes are an integral part of this schedule.

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual
Special Revenue Fund - Drug Forfeiture Fund**

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Commissions on fines and forfeitures	\$ 10,000	\$ 1,000	\$ 12,784	\$ 11,784
Interest earnings	500	1,000	1,376	376
Total revenues	<u>10,500</u>	<u>2,000</u>	<u>14,160</u>	<u>12,160</u>
EXPENDITURES				
Current:				
General government-Judicial:				
Anti-drug programs and advertising	10,000	2,000	1,105	895
Professional services	500	500	-	500
Office supplies	1,000	1,000	-	1,000
Operating supplies	500	-	-	-
Travel and professional development	500	500	-	500
Other expenditures	4,000	2,000	-	2,000
Total expenditures	<u>16,500</u>	<u>6,000</u>	<u>1,105</u>	<u>4,895</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,000)</u>	<u>(4,000)</u>	<u>13,055</u>	<u>17,055</u>
NET CHANGE IN FUND BALANCE	(6,000)	(4,000)	13,055	17,055
FUND BALANCE-BEGINNING OF YEAR	<u>361,229</u>	<u>361,229</u>	<u>361,229</u>	<u>-</u>
FUND BALANCE-END OF YEAR	<u>\$ 355,229</u>	<u>\$ 357,229</u>	<u>\$ 374,284</u>	<u>\$ 17,055</u>

The accompanying notes are an integral part of this schedule.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
 PARISH OF JEFFERSON DAVIS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance-
 Budget and Actual
 Special Revenue Fund - Pretrial Intervention Fund

For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Commissions on fines and forfeitures	\$ 600,000	\$ 650,000	\$ 914,544	\$ 264,544
Charges for services	90,000	90,000	99,809	9,809
Interest earnings	-	-	40	40
Total revenues	<u>690,000</u>	<u>740,000</u>	<u>1,014,393</u>	<u>274,393</u>
EXPENDITURES				
Current:				
General government-Judicial:				
Professional services	16,800	16,800	-	16,800
Insurance	-	-	7,762	(7,762)
Office supplies	1,000	1,000	5,741	(4,741)
Operating supplies/programs	-	-	7,975	(7,975)
Other expenditures	200	200	-	200
Intergovernmental expenditures:				
Distributions to other governments-LACE	210,000	210,000	373,705	(163,705)
Distributions to other governments-JSA	100,000	96,100	-	96,100
Total expenditures	<u>328,000</u>	<u>324,100</u>	<u>395,183</u>	<u>(71,083)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>362,000</u>	<u>415,900</u>	<u>619,210</u>	<u>203,310</u>
OTHER FINANCING SOURCES (Uses)				
Operating transfers out	<u>(310,000)</u>	<u>(310,000)</u>	<u>(434,648)</u>	<u>(124,648)</u>
Total other financing sources (uses)	<u>(310,000)</u>	<u>(310,000)</u>	<u>(434,648)</u>	<u>(124,648)</u>
NET CHANGE IN FUND BALANCE	52,000	105,900	184,562	78,662
FUND BALANCE-BEGINNING OF YEAR	<u>200,878</u>	<u>200,878</u>	<u>200,878</u>	<u>-</u>
FUND BALANCE-END OF YEAR	<u>\$ 252,878</u>	<u>\$ 306,778</u>	<u>\$ 385,440</u>	<u>\$ 78,662</u>

The accompanying notes are an integral part of this schedule.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT

Notes to Budgetary Comparison Schedules

For the Year Ended December 31, 2017

A. BUDGETARY PRACTICES

General Budget Practices: The District Attorney follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 36:1301-1314), the District Attorney is required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to December 15th, the District Attorney develops a proposed annual budget for the general fund and all special revenue funds. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. At the conclusion of the public hearing the budget is adopted by the District Attorney through a formal budget resolution.

Appropriations (unexpended budget balances) lapse at the end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is not employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the District Attorney.

Budget Basis of Accounting: All governmental fund budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the District Attorney cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the District Attorney to amend the budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The District Attorney approves budgets at the object level and management is allowed to transfer amounts between line items within an object. The District Attorney's office amends its budget during the year to account for unanticipated changes in the original budget.

SUPPLEMENTARY INFORMATION

SCHEDULE 4

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Combining Balance Sheet
Nonmajor Special Revenue Funds**

December 31, 2017

	Worthless Check fund	Title IV-D	Total Governmental Funds
ASSETS			
Cash	\$ 51,810	\$ 28,487	\$ 80,297
Due from other governments	-	8,196	8,196
Due from other funds	296	-	296
TOTAL ASSETS	\$ 52,106	\$ 36,683	\$ 88,789
 LIABILITIES AND FUND BALANCES			
Accounts payable	\$ -	\$ 347	\$ 347
Payroll deductions, withholdings, and accrued salaries payable	-	777	777
Interfund payables	-	12,529	12,529
Total Liabilities	-	13,653	13,653
 FUND BALANCES			
Restricted	-	23,030	23,030
Assigned	52,106	-	52,106
Total Fund Balances	52,106	23,030	75,136
 TOTAL LIABILITIES AND FUND BALANCES	\$ 52,106	\$ 36,683	\$ 88,789

SCHEDULE 5

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds**

For the Year Ended December 31, 2017

	Worthless Check Fund	Title IV-D	Total
REVENUES			
Commissions on fines and forfeitures	\$ 7,446	\$ -	\$ 7,446
Intergovernmental revenues:			
Federal	-	64,596	64,596
State	-	33,277	33,277
Interest earnings	424	21	445
Total Revenues	7,870	97,894	105,764
EXPENDITURES			
Current:			
General government - judicial:			
Salaries and related benefits	-	44,364	44,364
Communications	-	4,073	4,073
Office supplies	-	10	10
Total Expenditures - Judicial:	-	48,447	48,447
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,870	49,447	57,317
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	1,500	1,500
Operating transfers out	(10,000)	(49,560)	(59,560)
Total Other Financing Sources and Uses	(10,000)	(48,060)	(58,060)
NET CHANGES IN FUND BALANCES	(2,130)	1,387	(743)
FUND BALANCES-BEGINNING OF YEAR	54,236	21,643	75,879
FUND BALANCES-END OF YEAR	\$ 52,106	\$ 23,030	\$ 75,136

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
 PARISH OF JEFFERSON DAVIS, LOUISIANA

Combining Balance Sheet
 Agency Funds

December 31, 2017

	Escrow Fund	Drug Asset Seizure Fund	Worthless Checks Escrow Fund	Total
ASSETS				
Cash	<u>\$ 32,561</u>	<u>\$ 22,033</u>	<u>\$ 1,128</u>	<u>\$ 55,722</u>
Total Assets	<u><u>\$ 32,561</u></u>	<u><u>\$ 22,033</u></u>	<u><u>\$ 1,128</u></u>	<u><u>\$ 55,722</u></u>
 LIABILITIES AND FUND BALANCES				
Due to others	<u>\$ 32,561</u>	<u>\$ 22,033</u>	<u>\$ 1,128</u>	<u>\$ 55,722</u>
Total Liabilities	<u><u>\$ 32,561</u></u>	<u><u>\$ 22,033</u></u>	<u><u>\$ 1,128</u></u>	<u><u>\$ 55,722</u></u>

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
 PARISH OF JEFFERSON DAVIS, LOUISIANA

Combining Schedule of Changes in Deposits Due to Others
 Agency Funds

For the Year Ended December 31, 2017

	Escrow Fund	Drug Asset Seizure Fund	Worthless Check Escrow Fund	Total
Balance at Beginning of Year	\$ 25,982	\$ 58,901	\$ 927	\$ 85,810
Additions:				
Restitution/forfeitures collected	21,561	-	50,796	72,357
Funds seized and auction proceeds	-	30,741	-	30,741
Interest earned	-	35	-	35
Total additions	<u>21,561</u>	<u>30,776</u>	<u>50,796</u>	<u>103,133</u>
Deductions:				
Distribution to victims	14,982	-	43,354	58,336
Distribution to Sheriff	-	10,752	-	10,752
Distribution to District Attorney	-	12,784	7,241	20,025
Distribution to Criminal Court Fund	-	12,784	-	12,784
Distributions to Jennings Police Department	-	13,963	-	13,963
Distributions to Louisiana State Police	-	10,752	-	10,752
Distribution to Lake Arthur Police	-	2,885	-	2,885
Distributions to Clerk of Court	-	916	-	916
Distribution to others	-	2,808	-	2,808
Total deductions	<u>14,982</u>	<u>67,644</u>	<u>50,595</u>	<u>133,221</u>
Balance at End of Year	<u>\$ 32,561</u>	<u>\$ 22,033</u>	<u>\$ 1,128</u>	<u>\$ 55,722</u>

SCHEDULE 8

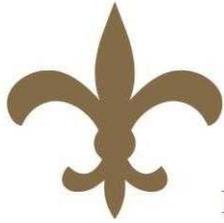
DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
 PARISH OF JEFFERSON DAVIS, LOUISIANA

Schedule of Compensation, Benefits and Other Payments to the
 District Attorney

For the Year Ended December 31, 2017

Honorable Michael C. Cassidy
 District Attorney of the Thirty-First
 Judicial District

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 168,390
Benefits-insurance	21,233
Benefits-retirement	-
Benefits-dues	435
Car allowance	-
Vehicle provided by government	-
Per diem	1,415
Reimbursements	-
Travel	-
Registration fees	325
Conference travel	3,121
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-



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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 District Attorney of the Thirty-First Judicial District
Parish of Jefferson Davis, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and major funds of the District Attorney of the Thirty-First Judicial District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued my report thereon dated June 8, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of 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.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Current and Prior Year Findings, 01-2017(IC), that I consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance 01-2017(C), that is required to be reported under Government Auditing Standards.

District Attorney of the Thirty-First Judicial District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney'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 District Attorney's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the District Attorney of the Thirty-First Judicial District, the District Attorney's management, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties.


June 8, 2018

**DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2017**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the District Attorney of the Thirty-First Judicial District.
2. One control deficiency was disclosed during the audit of the financial statements and is reported in the 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.
3. One instance of noncompliance of the District Attorney of the Thirty-First Judicial District was disclosed during the audit.
4. The District Attorney of the Thirty-First Judicial District did not require a Single Audit.

SECTION II - INTERNAL CONTROL AND COMPLIANCE FINDINGS

Current Year Findings:

See Summary Schedule of Current and Prior Year Audit Findings.

Prior Year Findings:

See Summary Schedule of Current and Prior Year Audit Findings.

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA
Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2017

Ref No.	Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Current Year 12/31/2017						
Internal Control:						
01-2017(IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Jefferson Davis District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	Michael Cassidy	NA
Compliance:						
01-2017(C)	2017	Pre-Trial Intervention Fund exceeded its budgeted expenditures by more than 5%.	Yes	The Jefferson Davis District Attorney amends its budget as required, but in this Fund the amendment was not adequate to cover excess revenues and expenditures. The Funds will be monitored more closely in the future.	Michael Cassidy	Done

DISTRICT ATTORNEY OF THE THIRTY-FIRST JUDICIAL DISTRICT
PARISH OF JEFFERSON DAVIS, LOUISIANA
Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2017

Ref No.	Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Prior Year 12/31/2016						
01-2016(IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Jefferson Davis District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however segregated as many duties as possible. No plan is considered necessary.	Michael Cassidy	NA



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Michael C. Cassidy
District Attorney of the Thirty-First Judicial District
Parish of Jefferson Davis, Louisiana

I have performed the procedures enumerated below, which were agreed to by the District Attorney of the Thirty-First Judicial District, Parish of Jefferson Davis, Louisiana, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year ended December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Written policies and procedures were obtained and address the function noted above.

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

Written policies and procedures were obtained and address the function noted above.

- c) **Disbursements**, including processing, reviewing, and approving
Written policies and procedures were obtained and address the function noted above.
- d) **Receipts**, including receiving, recording, and preparing deposits
Written policies and procedures were obtained and address the function noted above.
- e) **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 function noted above.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained and address the function noted above.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
Written policies and procedures were obtained and address the function noted above.
- h) **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 function noted above.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained and address the function noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Debt was not included. No debt exists.

Board (or Finance Committee, if applicable)

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

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Not applicable

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Not applicable

- 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.

Not applicable

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Not applicable

Bank Reconciliations

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

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

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period noting that monthly reconciliations have been prepared for all funds.

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

Accounts tested did not contain evidence that management or management separate from involvement of transactions reviewed the bank reconciliations.

Management agrees and will review bank reconciliations in the future.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

One account tested contained outstanding items, but reconciliation indicated checks were reviewed periodically. There is no evidence of management researching those items.

Management agrees and will research outstanding items in the future.

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

The office policy is to accept only money orders or cashier checks, cash is not accepted. The persons responsible for accepting receipts are not bonded. At various times, the same person collecting may also be responsible for depositing receipts in the bank. Recording the deposit, and reconciling bank statements is a separate responsibility. None of the persons collecting receipts is required to share the same drawer with another employee.

Management concurs, but has a limited staff available to accomplish complete separation of duties.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The person responsible for reconciling collections as indicated in the above is not the same person responsible for the collection.

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.

Collection documentation was obtained. Deposits were not always made within one day of collection. The number of days after collection varied, but of the ones reviewed not more than three days were observed.

Management concurs, and will begin making deposits daily.

- 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 obtained and addresses the functions noted above.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

There is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.

Management concurs, but has a limited staff available to accomplish complete separation of duties.

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

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

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

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements 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:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized.

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

Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized.

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

Examined supporting documentation for each of the 25 disbursements selected and found that a purchase order system is not utilized, but that approved invoices were utilized.

Management concurs, but with a limited staff does not feel a PO system is cost beneficial.

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.

Written policies and procedures were obtained and did not address the functions noted above.

Management concurs, but has a limited staff available to accomplish complete separation of duties.

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.

Written policies and procedures were obtained and did not address the functions noted above.

Management concurs, but has a limited staff available to accomplish complete separation of duties.

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.

Written policies and procedures were obtained and do address the functions noted above. Persons with signatory authority do not have access to unused checks. Unused checks are kept in a locked drawer.

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.

Signature stamp is not utilized. After checks are signed they are returned to the bookkeeper who then mails them.

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

14. Obtain 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. Obtain management's representation that the listing is complete.

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Listing was obtained. One-third of the cards were selected.

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

- a) Report 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.]]

Monthly statements were obtained and address the functions noted above.

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

No finance charges or fees were noted.

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

- a) For each transaction, report whether the transaction is supported by:
➤ An original itemized receipt (i.e., identifies precisely what was purchased)

Monthly statements were obtained and address the functions noted above.

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

Monthly statements were obtained and address the functions noted above.

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

No exceptions noted.

- b) For each transaction, compare 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.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. 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.

No exceptions noted.

Travel and Expense Reimbursement

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

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

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

Policies were obtained. No amounts listed exceed GSA rates.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*Written policies and procedures were obtained and address the function noted above.
No exceptions were noted.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

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

No exceptions noted.

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

- *No exception noted.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exception noted.

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

No exception noted.

Contracts

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

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

21. Using the listing above, select 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). Obtain the related contracts and paid invoices and:

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

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

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

No noncompliance noted.

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

Not applicable.

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

No amendments noted.

- d) Select 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 noncompliance noted.

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

Not applicable.

Payroll and Personnel

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

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

No exception noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

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

No exceptions noted.

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

No exception noted.

Ethics (excluding nonprofits)

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

No exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

Not applicable.

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

No outstanding debt noted.

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

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

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

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

Required notices were posted on the entity's premises. Website did not contain notice.

Management will address the website issue.

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

No exceptions noted.

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

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

J. Aaron Cozart, CPA, LLC

June 8, 2018