

**District Attorney of the Thirty-Second
Judicial District
Terrebonne Parish, Louisiana**

Annual Financial Report
As of and for the
Year Ended December 31, 2017

**District Attorney of the Thirty-Second
Judicial District**
Annual Financial Report
For the Year Ended December 31, 2017

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**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

INDEPENDENT AUDITOR'S REPORT

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the District Attorney of the Thirty-Second Judicial District (District Attorney), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the District Attorney of the Thirty-Second Judicial District as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 and the budgetary comparison schedules on pages 39 and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The Schedule of Compensation, Benefits, and Other payments to the District Attorney on page 41 and the Schedule of Expenditures of Federal Awards on page 50, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the District Attorney and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the District Attorney and the Schedule of Expenditures of Federal Awards 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*, we have also issued our report dated June 28, 2018, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.



Houma, Louisiana
June 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017

This discussion and analysis of the District Attorney of the Thirty-Second Judicial District's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2017. Please read it in conjunction with the financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Our auditor has provided assurance in his independent auditor's report that the financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Information, is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the parts in the Annual Financial Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the District Attorney of the Thirty-Second Judicial District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

The Terrebonne Children's Advocacy Center (Advocacy Center) is a legally separate, nonprofit organization that reports under FASB standards. The Advocacy Center was created to coordinate the community's response to the problem of child abuse. These activities are discreetly presented as a component unit in the government-wide Statement of Net Position and Statement of Activities.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The District Attorney of the Thirty-Second Judicial District utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on pages 17 and 18.

The District Attorney of the Thirty-Second Judicial District is the trustee, or fiduciary, for funds confiscated for asset forfeitures under state law. These fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the other financial statements because these funds cannot be used to finance operations. The District Attorney is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

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

- Net position of our governmental activities decreased by \$65,079 or 1.8 percent.
- During the year, the District Attorney had judicial expenses of \$4,909,965 that were \$120,108 more than the \$4,789,857 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$1,985,840. This compares to the prior year ending fund balance of \$1,960,407 resulting in an increase of \$25,433.

The Statement of Net Position and the Statement of Activities reports all transactions as governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public finance most of these activities.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Our analysis below focuses on the net position of the governmental-type activities.

Condensed Statement of Net Position

	2016	2017	Dollar Change	Percent Change
Current and other assets	\$ 2,737,601	\$ 2,801,470	\$ 63,869	2.3%
Capital assets, net	2,000,038	1,879,148	(120,890)	-6.0%
Total assets	4,737,639	4,680,618	(57,021)	-1.2%
Deferred outflows of resources	94,390	201,687	107,297	113.7%
Current liabilities	821,772	849,816	28,044	3.4%
Long-term liabilities	212,025	295,161	83,136	39.2%
Total liabilities	1,033,797	1,144,977	111,180	10.8%
Deferred inflows of resources	106,793	110,968	4,175	3.9%
Net investment in capital assets	1,842,239	1,755,384	(86,855)	-4.7%
Unrestricted	1,849,200	1,870,976	21,776	1.2%
Total net position	\$ 3,691,439	\$ 3,626,360	\$ (65,079)	-1.8%

The District Attorney's net position decreased as a result of this year's operations. Unrestricted net position (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) increased marginally during the year. The balance in net position represents the accumulated results of all past years' operations.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Management's Discussion and Analysis
 For the Year Ended December 31, 2017

FINANCIAL ANALYSIS AS A WHOLE (GWFS) (Cont.)

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

Condensed Statement of Activities

	2016	2017	Dollar Change	Percent Change
Total program expenses	\$ (4,715,024)	\$ (4,909,965)	\$ (194,941)	4.1%
Total program revenues	4,622,677	4,789,857	167,180	3.6%
Net program income	(92,347)	(120,108)	(27,761)	30.1%
General revenues	36,576	56,431	19,855	54.3%
Other financing uses	(24,200)	(1,402)	22,798	-94.2%
Change in net position	(79,971)	(65,079)	14,892	-18.6%
Net position:				
Beginning of the year	3,771,410	3,691,439	(79,971)	-2.1%
End of the year	<u>\$ 3,691,439</u>	<u>\$ 3,626,360</u>	<u>\$ (65,079)</u>	<u>-1.8%</u>

The amount spent on programs related to operating the District Attorney's office increased by 4.1%. Total program revenues increased by 3.6% or \$167,180 from the prior year.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The District Attorney of the Thirty-Second Judicial District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District Attorney is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund includes revenue and expenditures necessary to the operation of the District Attorney's office such as personnel, benefits, the pretrial intervention program and operation and maintenance of facilities. The General Fund reflected \$3,137,652 in total revenues, including \$1,541,549 in fines and fees collected and \$1,239,841 in payments received from the TPCG for salaries and benefits for the District Attorney's office. Total current expenditures were \$3,296,826. Capital outlay was \$37,668. Debt service expenditures for vehicles were \$33,901 of which \$26,982 was for principal payments. Note

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS) (Cont.)

payable proceeds were \$22,958. After a \$166,939 excess of revenues over expenditures for the year, the ending fund balance was \$1,242,770. The General Fund had nonspendable fund balance of \$32,462 for prepaid expenses and \$1,210,308 in the unassigned category.

The IV-D Program Fund is a Special Revenue fund that accounts for grants received and expenditures for Child Support Enforcement. The amount received from the State of Louisiana this year was \$779,526. Total current expenditures for IV-D programs were \$594,011. Capital outlay was \$4,917, and debt service expenditures for vehicles were \$32,950. After a \$146,792 excess of expenditures over revenues for the year, the ending fund balance was \$454,144, of which \$6,976 was nonspendable and \$447,168 was restricted.

The IWC Program Fund is a Special Revenue fund that accounts for the collection of worthless checks throughout the Parish. The majority of revenues (\$18,836) was for the assessment of fees. Total current expenditures were \$9,993. After a \$14,317 excess of revenues over expenditures for the year, the ending fund balance was \$12,736, all of which was restricted.

The Drug Court Program Fund is a Special Revenue fund that accounts for grants received from the State of Louisiana and fees assessed for DWI tickets and expenditures for operating the Drug Court Program. The amount received from the State of Louisiana this year was \$599,454. Total current expenditures were \$747,665. Capital outlay was \$3,608. After a \$9,031 excess of expenditures over revenues for the year, the ending fund balance was \$271,014, \$3,544 of which was nonspendable and \$267,470 of which was restricted.

BUDGETARY HIGHLIGHTS

The District Attorney's annual budget is adopted on a modified accrual basis of accounting excluding noncash items, such as depreciation. The District Attorney amended both its general fund budget and its special revenue budget once during the year.

The District Attorney experienced favorable revenue variances for both the General Fund and the Special Revenue Funds. The District Attorney experienced a favorable expense variance for the General Fund and an unfavorable expense variance for the Special Revenue Funds.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017

CAPITAL ASSETS

Capital assets include office equipment, weapons, computer equipment, vehicles, buildings/leasehold improvements, and land recorded at historical cost of \$3,083,051. Also included in this category is software that is amortized as an intangible asset. Accumulated depreciation as of December 31, 2017 is \$1,203,903 resulting in an ending book balance of \$1,879,148. These capital assets include land and buildings in the name of the Thirty-Second Judicial Enforcement District (a blended component unit of the District Attorney's office). Depreciation expense of \$147,910 was recorded for the year.

More detailed information about the capital assets is presented in the notes to financial statements. However, a summary of current and prior year capital assets for the primary government and blended component unit follows:

	<u>2016</u>	<u>2017</u>
Land	\$ 92,286	\$ 92,286
Equipment and furniture	122,566	126,613
Weapons	24,521	24,521
Computer equipment	86,088	94,708
Vehicles	428,833	431,671
Software	113,188	113,188
Buildings and improvements	<u>2,197,097</u>	<u>2,200,064</u>
Total capital assets	3,064,579	3,083,051
Less accumulated depreciation	<u>(1,064,541)</u>	<u>(1,203,903)</u>
Total capital assets, net	<u>\$ 2,000,038</u>	<u>\$ 1,879,148</u>

A summary of current and prior year capital assets for the discretely presented component unit follows:

	<u>2016</u>	<u>2017</u>
Land	\$ 150,000	\$ 150,000
Equipment and furniture	123,848	123,848
Buildings and improvements	<u>1,354,858</u>	<u>1,354,858</u>
Total capital assets	1,628,706	1,628,706
Less accumulated depreciation	<u>(332,594)</u>	<u>(377,604)</u>
Total capital assets, net	<u>\$ 1,296,112</u>	<u>\$ 1,251,102</u>

**District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017**

CAPITAL ASSETS (Cont.)

Depreciation expense of \$45,010 was recorded for the year.

NOTES PAYABLE FOR VEHICLES

One additional vehicle was purchased in 2017. Notes for vehicle purchases are recorded as liabilities. The total proceeds on the new vehicle was \$22,958. The total amount of principal paid on all notes was \$56,994 resulting in an ending balance of \$123,764.

Interest paid on notes payable in the governmental funds was \$9,857. More detailed information about the notes payable is presented in the notes to financial statements.

The Advocacy Center has a note for a building. The total amount of principal and interest paid on this note was \$252,000 resulting in an ending balance of \$220,452.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors were considered when budgeting for the next fiscal year. Possible new laws and regulations, increased rates and fees that would be charged, and possible new grant funding sources were all considered.

Highlights of next year's General Fund budget include:

Estimated revenue	<u>\$ 1,850,000</u>
Personnel services and benefits	1,300,000
General operating	900,000
Capital outlay	<u>15,000</u>
Total estimated expenditures	<u>2,215,000</u>
Estimated excess of expenditures over revenue	(365,000)
Estimated beginning fund balance	<u>530,000</u>
Estimated ending fund balance	<u><u>\$ 165,000</u></u>

**District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2017**

CONTACTING FINANCIAL MANAGEMENT

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

Mr. Kevin Guidry, Administrator
Terrebonne Parish District Attorney
7856 Main Street, Suite 220
Houma, LA 70360
Phone number (985) 873-6500

FINANCIAL STATEMENTS

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Net Position
December 31, 2017

	Government Activities	Component Unit Advocacy Center
Assets		
Cash	\$ 2,120,228	\$ 146,859
Investments	233,694	-
Due from other governmental units	404,566	-
Prepaid expenses	42,982	2,500
Total Current Assets	2,801,470	149,359
Capital assets	3,083,051	1,628,706
Accumulated depreciation	(1,203,903)	(377,604)
Net Capital Assets	1,879,148	1,251,102
Deposits	-	14,700
Total Assets	4,680,618	1,415,161
Deferred Outflows of Resources	201,687	-
Liabilities		
Accounts payable and accrued liabilities	643,845	3,893
Restitution payable	171,785	-
Current portion of notes payable	34,186	202,965
Total Current Liabilities	849,816	206,858
Net pension liability	205,583	-
Long-term portion of notes payable	89,578	17,487
Total Long-term Liabilities	295,161	17,487
Total Liabilities	1,144,977	224,345
Deferred Inflows of Resources	110,968	-
Net Position		
Net investment in capital assets	1,755,384	1,030,650
Unrestricted	1,870,976	160,166
Total Net Position	\$ 3,626,360	\$ 1,190,816

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Activities
December 31, 2017

	<u>Government Activities</u>	<u>Component Unit Advocacy Center</u>
REVENUES		
Judicial activities:		
Operating grants	\$ 2,835,522	\$ 24,466
Charges for services	1,954,335	-
Fiduciary activities:		
Rental income	-	252,000
Donations for fundraisers	-	73,764
Program revenues	-	27,685
Other donations	-	19,609
TOTAL REVENUES	<u>4,789,857</u>	<u>397,524</u>
EXPENSES		
Judicial activities:		
Personnel services and benefits	3,242,648	-
General operating	1,519,407	-
Depreciation	147,910	-
Fiduciary activities:		
Depreciation	-	45,010
Personnel services and contract labor	-	40,499
Direct program expenditures	-	38,311
Office operations	-	29,058
Insurance	-	26,489
Fundraising	-	12,875
Rent expense	-	3,750
Other	-	3,675
Repairs and maintenance	-	1,144
Conventions, travel, and meals	-	1,060
Advertising	-	978
TOTAL EXPENSES	<u>4,909,965</u>	<u>202,849</u>
OTHER INCOME (EXPENSE)		
Miscellaneous income	62,231	917
Interest earned	4,057	167
Interest expense	(9,857)	(19,807)
TOTAL OTHER INCOME (EXPENSE)	<u>56,431</u>	<u>(18,723)</u>

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Activities
December 31, 2017

	Government Activities	Component Unit Advocacy Center
OTHER FINANCING USES		
Operating transfers out	(1,402)	-
CHANGE IN NET POSITION	(65,079)	175,952
NET POSITION - Beginning	3,691,439	1,014,864
NET POSITION - Ending	\$ 3,626,360	\$ 1,190,816

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Balance Sheet
 Governmental Fund Type
 December 31, 2017

	General Fund	M-D Program Fund	Worthless Check Collection Fund	Drug Court Program Fund	Component Unit 32nd Judicial Enforcement District	Totals
Assets						
Cash	\$ 1,599,171	\$ 333,734	\$ 76,491	\$ 105,656	\$ 5,176	\$ 2,120,228
Investments	201,983	-	-	31,711	-	233,694
Due from other governmental units	116,643	128,957	-	158,966	-	404,566
Prepaid expenses	32,462	6,976	-	3,544	-	42,982
Total Assets	\$ 1,950,259	\$ 469,667	\$ 76,491	\$ 299,877	\$ 5,176	\$ 2,801,470
Liabilities and Fund Balance						
Liabilities:						
Accounts payable and accrued liabilities	\$ 555,937	\$ 15,523	\$ 43,522	\$ 28,863	\$ -	\$ 643,845
Restitution payable	151,552	-	20,233	-	-	171,785
Total Liabilities	707,489	15,523	63,755	28,863	-	815,630
Fund Balance:						
Nonspendable:						
Prepaid expenses	32,462	6,976	-	3,544	-	42,982
Restricted for:						
M-D program	-	447,168	-	-	-	447,168
Worthless check collections program	-	-	12,736	-	-	12,736
Drug program	-	-	-	267,470	-	267,470
32nd Judicial Enforcement District	-	-	-	-	5,176	5,176
Unassigned	1,210,308	-	-	-	-	1,210,308
Total Fund Balance	1,242,770	454,144	12,736	271,014	5,176	1,985,840
Total Liabilities and Fund Balance	\$ 1,950,259	\$ 469,667	\$ 76,491	\$ 299,877	\$ 5,176	\$ 2,801,470

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Revenues, Expenditures,
and Changes in Fund Balance -
Governmental Fund Type
For the Year Ended December 31, 2017

	General Fund	M-D Program Fund	Worthless Check Collection Fund	Drug Court Program Fund	Component Unit 32nd Judicial Enforcement District	Totals
REVENUES						
Fines and fees	\$ 1,541,549	\$ -	\$ 18,836	\$ 58,339	\$ -	\$ 1,618,724
Intergovernmental	106,798	779,526	-	599,454	-	1,485,778
Payments received on behalf	1,239,841	-	-	-	-	1,239,841
Reimbursed attorney fees and salaries	159,620	150,000	-	-	-	309,620
Other	60,758	489	-	-	-	61,247
Asset and bond forfeitures	25,991	-	-	-	-	25,991
Interest earned	3,095	500	92	370	-	4,057
Total Revenues	3,137,652	930,515	18,928	658,163	-	4,745,258
EXPENDITURES						
General government - judicial - current:						
Personnel services	1,279,841	371,386	6,761	231,259	-	1,889,247
Salary and benefit payments on behalf	1,239,841	-	-	-	-	1,239,841
Professional fees	236,625	9,132	213	102,325	-	348,295
Operating leases	95,753	90,461	-	86,535	-	272,749
Drug screenings	32,093	-	-	235,686	-	267,779
Telephone and utilities	51,805	22,280	-	34,421	-	108,506
Office operations	57,949	19,823	2,834	13,856	-	94,462
Insurance	57,888	19,996	-	6,286	-	84,170
Criminalistics lab	71,125	-	-	-	-	71,125
Trials, training, seminars, and travel	42,267	13,195	-	14,825	-	70,287
Automobile expenditures	18,789	30,405	-	3,250	-	52,444
Public service announcements	38,417	-	-	221	-	38,638
Dues and services	27,884	3,067	185	3,525	-	34,661
Child Advocacy Center expenses	12,547	8,155	-	8,155	-	28,857
Repairs and maintenance	14,439	6,111	-	6,161	-	26,711
Direct program expenditures	15,711	-	-	1,100	-	16,811
Other	3,852	-	-	60	-	3,912
Total current expenditures	3,296,826	594,011	9,993	747,665	-	4,648,495
Capital outlay	37,668	4,917	-	3,608	-	46,193
Debt service:						
Principal	26,982	30,012	-	-	-	56,994
Interest	6,919	2,938	-	-	-	9,857
Total Expenditures	3,368,395	631,878	9,993	751,273	-	4,761,539
OTHER FINANCING SOURCES (USES)						
Note payable proceeds	22,958	-	-	-	-	22,958
Other	-	20,158	-	-	-	20,158
Operating transfers in (out)	374,724	(465,587)	5,382	84,079	-	(1,402)
Total Financing Sources (Uses)	397,682	(445,429)	5,382	84,079	-	41,714
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES						
	166,939	(146,792)	14,317	(9,031)	-	25,433
FUND BALANCES						
Beginning of year	1,075,831	600,936	(1,581)	280,045	5,176	1,960,407
End of year	\$ 1,242,770	\$ 454,144	\$ 12,736	\$ 271,014	\$ 5,176	\$ 1,985,840

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Reconciliation of the Governmental Fund Balance Sheet
 to the Statement of Net Position
 December 31, 2017

Fund balance - governmental fund	\$ 1,985,840
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$3,083,051, net of accumulated depreciation of \$1,203,903, are not financial resources and, therefore, are not reported in the governmental funds.	1,879,148
Deferred outflows of resources related to net pension liability are not available resources, and therefore, are not reported in the funds.	201,687
Current portion of \$34,186 and long-term portion of \$89,578 of notes payable are not financial resources and are therefore not reported in the funds.	(123,764)
Liabilities not due and payable in the current period and, therefore, are not reported in the funds: Net pension liability	(205,583)
Deferred inflows of resources related to net pension liability are not payable from current expendable resources, and therefore, are not reported in the funds.	<u>(110,968)</u>
Net position of governmental activities	<u><u>\$ 3,626,360</u></u>

See notes to financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Reconciliation of the Statement of Governmental Fund Revenues,
 Expenditures and Changes in Fund Balance to the
 Statement of Activities
 For the Year Ended December 31, 2017

Change in fund balance - governmental fund		\$ 25,433
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures, whereas in the statement of activities, these costs are depreciated over their estimated useful lives.</p>		
Capital outlays	46,193	
Depreciation expense	(147,910)	
Disposal of capital asset	<u>(19,173)</u>	(120,890)
<p>Governmental fund reports debt incurrence as other financing source and debt repayments as an expenditure, whereas these are not presented on the Statement of Activities.</p>		
Note payable proceeds	(22,958)	
Principal payments on notes	<u>56,994</u>	34,036
<p>Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:</p>		
Increase in pension expense	<u>(3,658)</u>	<u>(3,658)</u>
Change in net position of government activities		<u>\$ (65,079)</u>

See notes to financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Statement of Fiduciary Net Position
Asset Forfeiture Fund
December 31, 2017

Assets	
Cash and cash equivalents	<u>\$ 1,363,356</u>
Total Assets	<u><u>\$ 1,363,356</u></u>
Liabilities	
Due to others	<u>\$ 1,363,356</u>
Total Liabilities	<u><u>\$ 1,363,356</u></u>

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Changes in Fiduciary Net Position
For the Year Ended December 31, 2017

Beginning Balance as of December 31, 2016	<u>\$ 1,298,093</u>
 Additions	
Assets forfeited	245,584
Operating transfer in	1,402
Interest earned	<u>168</u>
 Total Additions	 <u>247,154</u>
 Disbursements	
Refunded forfeitures	72,256
Terrebonne Parish Sheriff	46,086
Terrebonne Parish District Attorney General Fund	34,097
Terrebonne Parish Criminal Court Fund	15,631
HPD forfeitures	9,031
Payroll	2,859
DART forfeitures	1,655
Trials	<u>276</u>
 Total Disbursements	 <u>181,891</u>
 Ending Balance as of December 31, 2017	 <u><u>\$ 1,363,356</u></u>

See accompanying notes.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and 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, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The Thirty-Second Judicial District encompasses Terrebonne Parish, Louisiana.

Note 1 – Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the District Attorney of the Thirty-Second Judicial District (District Attorney), Terrebonne Parish, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

B. Reporting Entity

The District Attorney of the Thirty-Second Judicial District is an independently elected official. However, the District Attorney of the Thirty-Second Judicial District is fiscally dependent on the Terrebonne Parish Consolidated Government for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the District Attorney of the Thirty-Second Judicial District and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The accompanying financial statements present the District Attorney's office and its blended component unit over which the District Attorney's office exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the District Attorney's office (as distinct from legal relationships).

The **Thirty-Second Judicial Enforcement District** is included in these financial statements as a component unit and is blended with the primary government. The Thirty-Second Judicial Enforcement District owns land and buildings that are utilized by the District Attorney's office as office space for certain sectors of its operations. The land, buildings, and related depreciation are reported in the capital assets of the District Attorney's financial statements.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 1 – Summary of Significant Accounting Policies (Cont.)

The **Terrebonne Children’s Advocacy Center**, a legally separate nonprofit organization that was created to coordinate the community’s response to the problem of child abuse, is included in these financial statements as a component unit and is discretely presented with the primary government. The Terrebonne Children’s Advocacy Center owns land and buildings that are leased by the District Attorney’s office as office space for certain sectors of its operations. The land, buildings, and related depreciation are reported in the capital assets of the Advocacy Center.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

Governmental Fund Types

Governmental funds account for all or most of the 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 that may be used to finance future period programs or operations.

Fiduciary Fund Type

The District Attorney utilizes an **agency fund** fiduciary fund type. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 1 – Summary of Significant Accounting Policies (Cont.)

The amounts reflected in the fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual include fines and assessments that are collected by another governmental body on the District Attorney's behalf and intergovernmental revenue. Interest earned is recorded when credited to the District Attorney's account.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects 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, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and special revenue funds. All annual appropriations lapse at fiscal year-end. Formal budgetary integration is employed as part of the accounting system, and the budget is amended by supplemental appropriations as needed to comply with state law.

The on-behalf payments received and paid by the Terrebonne Parish Consolidated Government are not budgeted or reflected in the Budget and Actual Statement for the General Fund in this report. The net effect of reflecting the receipt and payment of salaries and benefits on-behalf is zero.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 1 – Summary of Significant Accounting Policies (Cont.)

A reconciliation of total revenues and current expenditures for the General Fund follows:

	<u>Total Revenue</u>	<u>Total Current Expenditures</u>
Actual (Page 16)	\$ 3,137,652	\$ 3,296,826
On-Behalf Payments	(1,239,841)	(1,239,841)
Budget (Page 39)	<u>\$ 1,897,811</u>	<u>\$ 2,056,985</u>

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments during the year consisted of certificates of deposit and amounts deposited in the Louisiana Asset Management Pool (LAMP).

H. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>Category</u>	<u>Life</u>
Buildings and improvements	20 - 40 years
Office equipment and furniture	7 - 10 years
Weapons	7 - 10 years
Computers and software	5 - 10 years
Vehicles	5 years

I. Compensated Absences

Primarily all individuals who work at the District Attorney's Office are employees of the Terrebonne Parish Consolidated Government; therefore, no liability for compensated absences is recorded in the District Attorney's financial statements. Vacation and sick leave do not accumulate.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 1 – Summary of Significant Accounting Policies (Cont.)

J. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District Attorney through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District Attorney.

Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Interfund transactions on the other hand are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Notes to Financial Statements
 As of and for the Year Ended December 31, 2017

Note 2 – Deposits and Investments

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires that deposits (cash and certificates of deposits) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivisions.

The year-end balance of deposits is as follows for the primary government:

	<u>Bank Balances</u>	<u>Reported Amounts</u>		
		<u>Governmental</u>	<u>Agency</u>	<u>Total</u>
Cash	\$ 3,538,371	\$ 2,115,052	\$ 1,363,356	\$ 3,478,408
Certificates of deposit	201,983	201,983	-	201,983
Totals	<u>\$ 3,740,354</u>	<u>\$ 2,317,035</u>	<u>\$ 1,363,356</u>	<u>\$ 3,680,391</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of December 31, 2017, \$3,187,693 of the District's bank balance was exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Cash was adequately collateralized in accordance with state law by securities held by an unaffiliated bank for the accounts of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

The year-end balance of deposits is as follows for the component units:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash - Thirty-Second Judicial Enforcement District	\$ 5,176	\$ 5,176
Cash - Terrebonne Children's Advocacy Center	\$ 217,632	\$ 145,609

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 2 – Deposits and Investments (Cont.)

As of December 31, 2017, neither the Thirty-Second Judicial Enforcement District nor the Terrebonne Children's Advocacy Center's cash balances were exposed to credit risk. The balances were fully insured by FDIC coverage.

Investments:

State statutes authorize the District Attorney to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District Attorney's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District Attorney's investment policy requires the application of the prudent-person rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns.* The District Attorney's investment policy limits investments to those discussed earlier in this note.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District Attorney will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 2 – Deposits and Investments (Cont.)

- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 37 days as of June 25, 2018.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investment in LAMP as of December 31, 2017 amounted to \$31,711 and is classified on the Statement of Net Position as "Investments".

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

A reconciliation of deposits and investments as shown on the Statement of Net Position combined with the Statement of Fiduciary Net Position is as follows:

Reported amount of deposits	\$ 3,680,391
Reported amount of investments	<u>31,711</u>
Total	<u><u>\$ 3,712,102</u></u>
Cash	\$ 3,478,408
Investments	<u>233,694</u>
Total	<u><u>\$ 3,712,102</u></u>

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 3 – Due from Other Governmental Units

The due from other governmental units balance consists of the following:

Due From	General Fund	IV-D Program	Drug Court	Total
State of Louisiana	\$ 44,676	\$ 128,957	\$ 158,966	\$ 332,599
Terrebonne Parish Consolidated Government	35,588	-	-	35,588
Terrebonne Levee and Conservation District	16,945	-	-	16,945
Terrebonne Parish Sheriff's Office	13,315	-	-	13,315
Houma-Terrebonne Housing Authority	3,569	-	-	3,569
Terrebonne Economic Development Foundation	2,166	-	-	2,166
Terrebonne Economic Development Authority	384	-	-	384
	<u>\$ 116,643</u>	<u>\$ 128,957</u>	<u>\$ 158,966</u>	<u>\$ 404,566</u>

Note 4 – On-Behalf Payments and Expenditures of the District Attorney Not Included in the Financial Statements

The accompanying financial statements are not required to be and do not include certain expenditures of the District Attorney paid out of the funds of the Terrebonne Parish Consolidated Government for such costs as insurance, utilities, legal fees, et cetera.

The District Attorney, Assistant District Attorneys, and office staff employees receive on-behalf payments for salaries and benefits from the Terrebonne Parish Consolidated Government that are required to be reported in the financial statements of the Terrebonne Parish District Attorney. As reported on page 16 of these financial statements, \$1,239,841 was received and paid by Terrebonne Parish Consolidated Government for salaries and benefits. Revenues and expenditures have been recognized in the general fund for these on-behalf payments.

Note 5 – Capital Assets

A summary of changes in capital assets follows:

	January 1, 2017	Additions	Deletions	December 31, 2017
Capital assets not being depreciated:				
Land	\$ 92,286	\$ -	\$ -	\$ 92,286
Capital assets being depreciated:				
Equipment and furniture	122,566	4,047	-	126,613
Weapons	24,521	-	-	24,521
Computer equipment	86,088	8,620	-	94,708
Vehicles	428,833	30,559	(27,721)	431,671
Software	113,188	-	-	113,188
Buildings and improvements	2,197,097	2,967	-	2,200,064
Total capital assets being depreciated	<u>2,972,293</u>	<u>46,193</u>	<u>(27,721)</u>	<u>2,990,765</u>

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 5 – Capital Assets (Cont.)

Less accumulated depreciation:				
Equipment and furniture	(75,200)	(12,853)	-	(88,053)
Weapons	(20,643)	(836)	-	(21,479)
Computer equipment	(50,687)	(13,780)	-	(64,467)
Vehicles	(252,648)	(54,180)	8,548	(298,280)
Software	(60,022)	(11,319)	-	(71,341)
Buildings and improvements	(605,341)	(54,942)	-	(660,283)
Total accumulated depreciation	<u>(1,064,541)</u>	<u>(147,910)</u>	<u>8,548</u>	<u>(1,203,903)</u>
Total capital assets, net	<u>\$ 2,000,038</u>	<u>\$ (101,717)</u>	<u>\$ (19,173)</u>	<u>\$ 1,879,148</u>

The land and buildings are in the title of the Thirty-Second Judicial Enforcement District and are included in these financial statements as a blended component unit with the primary government.

A summary of changes in capital assets for the discretely presented component unit follows:

	<u>January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2017</u>
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Equipment and furniture	123,848	-	-	123,848
Buildings and improvements	1,354,858	-	-	1,354,858
Total capital assets	<u>1,628,706</u>	<u>-</u>	<u>-</u>	<u>1,628,706</u>
Less accumulated depreciation:				
Equipment and furniture	(86,756)	(11,138)	-	(97,894)
Buildings and improvements	(245,838)	(33,872)	-	(279,710)
Total accumulated depreciation	<u>(332,594)</u>	<u>(45,010)</u>	<u>-</u>	<u>(377,604)</u>
Total capital assets, net	<u>\$ 1,296,112</u>	<u>\$ (45,010)</u>	<u>\$ -</u>	<u>\$ 1,251,102</u>

Note 6 – Risk and Insurance

The District Attorney's Office is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

Note 7 – Post-Employment Benefits

The District Attorney does not offer post-retirement benefits to its employees.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 8 – Notes Payable

The District Attorney has seven notes payable with one financial institution. Interest rates on these notes range from 5.50% to 6.50%. These notes are collateralized by vehicles. Monthly principal and interest payments range from \$363 to \$611. Maturity dates on these notes range from April 23, 2019 through July 20, 2022. The debt service for these notes payable is as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 34,186	\$ 6,830	\$ 41,016
2019	31,019	4,597	35,616
2020	30,754	2,770	33,524
2021	23,616	945	24,561
2022	4,189	92	4,281
Total	<u>\$ 123,764</u>	<u>\$ 15,234</u>	<u>\$ 138,998</u>

The following is a summary of changes in long-term debt obligations for notes payable for the year:

Balance Beginning of Year	Incurred	Paid	Balance End of Year
\$ 157,800	\$ 22,958	56,994	\$ 123,764

The Advocacy Center has a note payable with a financial institution. The note has an interest rate of 5.5%, matures on December 2, 2020, and is collateralized by real estate. The monthly principal and interest payment is \$17,502. The debt service for this note payable is as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 202,965	\$ 7,059	\$ 210,024
2019	17,487	81	17,568
Total	<u>\$ 220,452</u>	<u>\$ 7,140</u>	<u>\$ 227,592</u>

The following is a summary of changes in long-term debt obligations for this note payable for the year:

Balance Beginning of Year	Incurred	Paid	Balance End of Year
\$ 452,645	\$ -	\$ 232,193	\$ 220,452

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 9 – Retirement Plans

District Attorney Retirement System (System)

Plan Description: The District Attorney's Retirement System, State of Louisiana is a cost-sharing multiple-employer defined benefit pension plan. The System was established on August 1, 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.

Eligibility Requirements: All persons who are district attorneys of the State of Louisiana or assistant district attorneys in any parish of the State of Louisiana 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. 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.

Retirement Benefits: 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 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.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 9 – Retirement Plans (Cont.)

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 3% (3.50% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Upon the death of a member with less than five 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 five or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to 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.

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 \$60 per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases, the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1. 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.

Back-Deferred Retirement Option Program (Back-DROP): In lieu of receiving a service retirement allowance, any member who has more years of service than are required for a

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 9 – Retirement Plans (Cont.)

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 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 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.

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

Non-Employer Contributions: In accordance with state statute, the System receives ad valorem taxes and state revenue-sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2017 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources: As of December 31, 2017, the District Attorney reported liabilities in its government-wide financial statements of \$205,583 for its proportionate share of the net pension liabilities of the System. The net pension liabilities were measured as of June 30, 2017, and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation performed as of that date. The District Attorney's

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 9 – Retirement Plans (Cont.)

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. As of June 30, 2017, the District’s proportional share of the System was 0.762205%, which was an increase of 0.246009% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the District Attorney recognized a pension expense of \$66,304 in its governmental activities related to its participation in the System.

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

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 54,048
Changes of assumptions	92,171	24,262
Net difference between projected and actual earnings on pension plan investments	82,505	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,011	32,658
	\$ 201,687	\$ 110,968

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

Year	
2018	\$ (2,624)
2019	37,986
2020	20,091
2021	8,304
2022	12,109
2023	14,853
Total	\$ 90,719

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 9 – Retirement Plans (Cont.)

Sensitivity to Changes in Discount Rate: The following presents the net pension liability 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 as of June 30, 2017.

	Changes in Discount Rate:		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 587,480	\$ 205,583	\$ (118,937)

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan’s fiduciary net position is available in the separately-issued financial report for the System.

Parochial Employees Retirement System of Louisiana (PERS)

All individuals who work at the District Attorney’s offices are paid by the Terrebonne Parish Consolidated Government and are consequently members (except those who are members of the District Attorney Retirement System) of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS), which is controlled and administered by a separate board of trustees. Membership in the retirement system is compulsory at date of employment. Membership is cancelled only by death, resignation, or retirement. Retirement benefits are based upon PERS provisions in place at the time of retirement. Retirement expense for the year ended December 31, 2017 was \$113,560. Plan information, including actuarial valuation information and funding status, can be found in the annual report of the Terrebonne Parish Consolidated Government.

Note 10 – Rent

The District Attorney leases the building from which the Child Support, PTI, and Drug Court/DWI departments operate from the Terrebonne Children’s Advocacy Center. The original term of the lease was for one year beginning on July 1, 2010. After the original term of the lease, the lease continued on a month to month basis. On September 15, 2017, a new lease for the same building was entered into for three years and four months. This agreement includes monthly lease payments of \$21,000 and matures on January 15, 2021. Rent expense incurred under these leases was \$252,000 for the year ended December 31, 2017.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2017

Note 10 – Rent (Cont.)

Future amounts due under this lease are:

<u>December 31,</u>	
2018	\$ 252,000
2019	252,000
2020	252,000
2021	<u>21,000</u>
	<u>\$ 777,000</u>

The District Attorney leases a parking lot near to the building from which it operates from an unrelated third party under a monthly lease agreement. This agreement includes monthly lease payments of \$700. Rent expense incurred under this lease was \$8,400 for the year ended December 31, 2017.

Note 11 – Subsequent Events

Subsequent events were evaluated by management through June 26, 2018, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Budgetary Comparison Schedule – General Fund
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines and fees	\$ 1,500,000	\$ 1,400,000	\$ 1,541,549	\$ 141,549
Reimbursed attorney fees and salaries	-	-	159,620	159,620
Intergovernmental	100,000	50,000	106,798	56,798
Other	250,000	220,000	60,758	(159,242)
Asset and bond forfeitures	-	-	25,991	25,991
Interest earned	-	-	3,095	3,095
Total Revenues	<u>1,850,000</u>	<u>1,670,000</u>	<u>1,897,811</u>	<u>227,811</u>
EXPENDITURES				
General government - judicial - current:				
Personnel services and benefits	1,000,000	1,350,000	1,279,841	70,159
General operating	1,000,000	850,000	777,144	72,856
Total Current Expenditures	<u>2,000,000</u>	<u>2,200,000</u>	<u>2,056,985</u>	<u>143,015</u>
Capital outlay	15,000	15,000	37,668	(22,668)
Debt service:				
Principal	-	-	26,982	(26,982)
Interest	-	-	6,919	(6,919)
Total Expenditures	<u>2,015,000</u>	<u>2,215,000</u>	<u>2,128,554</u>	<u>86,446</u>
Excess of Expenditures over Revenues	<u>(165,000)</u>	<u>(545,000)</u>	<u>(230,743)</u>	<u>314,257</u>
OTHER FINANCING SOURCES				
Note payable proceeds	-	-	22,958	22,958
Operating transfers out and other	-	-	374,724	374,724
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>397,682</u>	<u>397,682</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES				
	(165,000)	(545,000)	166,939	711,939
FUND BALANCES				
Beginning of year	898,700	1,075,000	1,075,831	831
End of year	<u>\$ 733,700</u>	<u>\$ 530,000</u>	<u>\$ 1,242,770</u>	<u>\$ 712,770</u>

See Independent Auditor's Report.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Budgetary Comparison Schedule – Special Revenue Funds
 Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental revenue	\$ 800,000	\$ 620,000	\$ 1,378,980	\$ 758,980
Reimbursed attorney fees and salaries	-	400,000	150,000	(250,000)
Fines and fees	100,000	110,000	77,175	(32,825)
Interest earned	-	-	962	962
Other	100,000	-	489	489
Total Revenues	<u>1,000,000</u>	<u>1,130,000</u>	<u>1,607,606</u>	<u>477,606</u>
EXPENDITURES				
General government - judicial - current:				
General operating	600,000	775,000	742,263	32,737
Personnel services	550,000	555,000	609,406	(54,406)
Total Current Expenditures	<u>1,150,000</u>	<u>1,330,000</u>	<u>1,351,669</u>	<u>(21,669)</u>
Capital outlay	-	10,000	8,525	1,475
Debt service:				
Principal	-	-	30,012	(30,012)
Interest	-	-	2,938	(2,938)
Total Expenditures	<u>1,150,000</u>	<u>1,340,000</u>	<u>1,393,144</u>	<u>(53,144)</u>
Excess of Revenues Over Expenditures	(150,000)	(210,000)	214,462	424,462
OTHER FINANCING USES				
Other	-	-	20,158	20,158
Operating transfers out	-	-	(376,126)	(376,126)
DEFICIENCY OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(150,000)	(210,000)	(141,506)	68,494
FUND BALANCES				
Beginning of year	153,200	879,000	879,400	400
End of year	<u>\$ 3,200</u>	<u>\$ 669,000</u>	<u>\$ 737,894</u>	<u>\$ 68,894</u>

See Independent Auditor's Report.

OTHER INFORMATION

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
 Schedule of Compensation, Benefits, and Other
 Payments to the District Attorney
 For the Year Ended December 31, 2017

Agency Head Name: Joseph L. Waitz, Jr., District Attorney

Purpose	Amount
Salary	\$ 57,350
Car allowance/automobile expense	9,000
Travel	3,369
Cell phone	977
Conference travel	732
Registration fees	515
Benefits - retirement	-
Membership fees	-
Deferred compensation	-
Benefits - insurance	-
Reimbursements	-
Per diem	-
Service fees	-
Benefits - other	-
Vehicle provided by government	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE**

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

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

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the District Attorney of the Thirty-Second Judicial District (the District Attorney), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

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

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

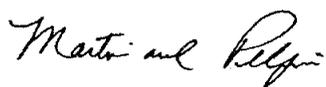
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of management, the reporting entity, federal awarding agencies and pass-through entities, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana
June 28, 2018

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, 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 unmodified opinion on the financial statements of the District Attorney of the Thirty-Second Judicial District.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. No instances of noncompliance required to be reported in accordance with *Government Auditing Standards* were noted during the audit.
4. No deficiencies in internal control were noted during the audit of internal control over the major federal award program.
5. The auditor’s report on compliance for the major federal award program for the District Attorney of the Thirty-Second Judicial District expresses an unmodified opinion on the major federal program.
6. No audit findings relative to the major federal award program were noted.
7. The program tested as a major program was the U.S. Department of Health and Human Services Child Support Enforcement program, CFDA #93.563.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The District Attorney of the Thirty-Second Judicial District qualified as a low-risk auditee.
10. A management letter was not issued.

Section II – Financial Statement Findings

No findings related to the basic financial statements of the District Attorney of the Thirty-Second Judicial District were noted during the audit.

Section III – Internal Control Findings

No findings related to the District Attorney of the Thirty-Second Judicial District’s internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

Section IV – Findings and Questioned Costs – Major Federal Award Program Audit

No significant control deficiencies, findings, or questioned costs were noted during the audit of the major federal award program.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Management's Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2017

The contact person for all corrective actions noted below is Mr. Kevin Guidry, Administrator.

Section I – Internal Control and Compliance

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Prior Findings and Resolution Matters
For the Year Ended December 31, 2017

Note: The prior findings all relate to the December 31, 2016 audit engagement.

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

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

**INDEPENDENT AUDITOR'S REPORT FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Thirty-Second Judicial District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney's major federal programs for the year ended December 31, 2017. The District Attorney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District Attorney's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the District Attorney's compliance.

Opinion on Each Major Federal Program

In our opinion, the District Attorney of the Thirty-Second Judicial District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the District Attorney is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of management, federal awarding agencies, pass-through entities, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana
June 28, 2018

District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Contract Number	Federal Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES/</u>			
<u>Administration for Children and Families/</u>			
<u>Pass-through payments from the Louisiana Department</u>			
<u>of Children and Family Services</u>			
Child Support Enforcement	93.563	2000211222	\$ 514,484 *
<u>Administration for Children and Families/</u>			
<u>Pass-through payments from the State of Louisiana/</u>			
<u>Office of the Judicial Administrator</u>			
Temporary Assistance for Needy Families	93.558	N/A	102,258
<u>Substance Abuse and Mental Health Services</u>			
<u>Administration</u>			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243	1H79TI080156-01	32,453
<u>DEPARTMENT OF JUSTICE/</u>			
<u>Office of Justice Programs/</u>			
<u>Bureau of Justice Assistance</u>			
Drug Court Discretionary Grant Program	16.585	N/A	129,891
<u>Office for Victims of Crime/</u>			
<u>Pass-through payments from the Louisiana</u>			
<u>Commission on Law Enforcement</u>			
Crime Victim Assistance	16.575	2015-VA-03/02/01 2855; 2016-VA-03/02 3863	76,798
<u>DEPARTMENT OF TRANSPORTATION/</u>			
<u>National Highway Traffic Safety Administration/</u>			
<u>Pass-through payments from the Louisiana</u>			
<u>Department of Public Safety and Corrections</u>			
National Priority Safety Programs	20.616	N/A	<u>52,500</u>
			<u>\$ 908,384</u>

* Denotes a major program

See Independent Auditor's Report.

**District Attorney of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana**
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District Attorney of the Thirty-Second Judicial District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note B – Definition of a Major Program

The Single Audit Act defines a major program based on the total federal awards expended during the year.

Note C – CFDA Numbers

The CFDA numbers included in this report were determined based on the program name, review of grant contract information, and the OMB's Catalog of Federal Domestic Assistance.

Note D – Indirect Cost Rate

The District Attorney did not elect to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

STATEWIDE AGREED-UPON PROCEDURES

**Martin
and
Pellegrin**

103 Ramey Road
Houma, Louisiana 70360

*Certified Public Accountants
(A Professional Corporation)*

Ph. (985) 851-3638
Fax (985) 851-3951

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

To the Honorable Joseph L. Waitz, Jr.
District Attorney of the Thirty-Second Judicial District
Terrebonne Parish Consolidated Government
Houma, Louisiana

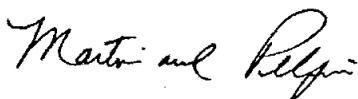
We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Thirty-Second Judicial District (the District Attorney) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures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

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

The procedures and associated findings are described on pages 53-70.

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

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



Houma, Louisiana
June 28, 2018

**District Attorney of the Thirty-Second Judicial District
Houma, Louisiana**

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
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The required procedures and our findings are as follows:

Procedures performed on the District Attorney's written policies and procedures:

1. Obtain the District Attorney'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

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - 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

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above except for the requirement noted below.
Exceptions: The policy does not include the use of purchase orders.
Management's response: Management will consider adding a purchase order system to the purchasing policy.
 - c. Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - d. Receipts, including receiving, recording, and preparing deposits

Performance: Obtained and read the written policy for receipts and found it to contain the requirements except for the requirement noted below.
Exceptions: Although it is known who collects and makes the deposits at cash collection location number 1, it is not documented in the policy.
Management's response: Management will consider adding the names of those who collect and make deposits at cash collection location number 1 to the policy.

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

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements except for the requirements noted below.

Exceptions: There is no mention of approval of leave or overtime worked.

Management's response: Management will consider adding the process for approving leave and overtime worked to the policy.

- 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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements except for the requirements noted below.

Exceptions: The policy does not include the types of services requiring written contracts nor legal review of written contracts.

Management's response: Management will consider adding the types of services requiring written contracts and legal review of written contracts to its policy.

- 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

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements except for the requirement noted below.

Exceptions: Although credit card transactions are approved, the required approver is not listed in the policy.

Management's response: Management will consider adding the position of the required approver to its policy.

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

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above except for the requirements below.

Exceptions: Dollar thresholds by category of expense are not disclosed. The policy mentions that meals shall be reimbursed to employees while traveling out of town on any business forum in an amount not to exceed the state-allowed rates. Mileage reimbursement is not discussed in the policy.

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Management's response: Management will consider adding dollar thresholds and the mileage rate to the written policy.

- 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.

Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the District Attorney has a written debt service policy.

Exceptions: While the District Attorney does have a debt service policy, it is not written.

Management's response: The District Attorney will include its debt service policy in its written policies.

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.

Performance: Determined that board meetings were not required to be held. As such, this section does not apply.

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
Performance: Inspected management's documentation for accuracy of bank reconciliations.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- 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.

Performance: Inspected documentation for management approvals of each bank reconciliation.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Determined that there were no items outstanding for more than six months as of the end of the fiscal year.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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

Performance: Observed the listing of cash/check/money order (cash) collection locations from management and received management's representation in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1)

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bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and (3) not required to share the same cash register or drawer with another employee.

Performance: Inspected policy manuals and inquired of client as to all of the requirements.

Exceptions: The person responsible for making the deposit can also collect cash. At cash collection location number 3, five of the employees share two drawers.

Management's response: Management will separate these duties when it is cost-beneficial to do so. Management will continue to closely monitor the collection activities of the District Attorney.

- b) Obtain existing written documentation 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.

Performance: Inspected policy manual, as well as, inquiries of management to ensure separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) 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.

Performance: Determined the highest dollar week of cash collections for each location. Traced daily collections from that week to its supporting documentation and determined whether or not collections were deposited within 24 hours of receipt.

Exceptions: The deposit slips dated November 6, 2017 for location number one were deposited two days later. It could not be determined when any of those checks were actually received. The collections received on March 20, 2017 for location number two were deposited two days later. The collections received on March 24, 2017 for location number two were deposited three days later.

Management's response: The District Attorney will make cash deposits promptly.

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- 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.

Performance: Inspected sequentially numbered receipts, the journal of cash receipts, and deposit slips from the bank. Determined whether or not collections are supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Obtain existing written documentation and report whether the entity has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

Performance: Inspected policy and inquired of management as to separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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 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.

Performance: Randomly selected 25 disbursements using a random number generator for check numbers. Inquired of management as to requisition/purchase orders and how invoices are approved.

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Exceptions: Purchase orders are only used for larger items such as computers and office equipment. Invoices are approved by the Finance Officer.

Management's response: Management will consider using a formal, written purchase order/requisition system.

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

Performance: Inquired of management as to purchase approval process and reviewed purchase invoices.

Exceptions: Purchase orders are only used for larger items such as computers and office equipment. A person in management can initiate purchases and approve those purchases.

Management's response: There will be a separation of duties when the benefit of doing so exceeds the cost.

- c) Payments for purchases were not processed without 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.

Performance: Inquired of management and observed approved invoices.

Exceptions: Generally, payments are processed without written purchase orders and receiving reports. Department heads and the Finance Officer approve invoices when they are received. All invoices are approved before payment is made.

Management's response: Management will consider using a formal, written purchase order/requisition system.

10. Using entity documentation, report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Performance: Inspected policy and inquired of management as to separation of duties.

Exceptions: The person responsible for recording payments in the accounting system also adds vendors to the disbursements system.

Management's response: These duties will be separated when the benefit of doing so exceeds the cost.

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.

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Performance: Determined if those with signatory authority and/or those who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Exceptions: There is no separation of signatory authority/final authorization for disbursements from initiating purchases.

Management's response: These duties will be separated when the benefit of doing so exceeds the cost.

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 and report whether the persons with signatory authority have system access to print checks.

Performance: Inquired of management, as well as, observed where the supply of unused checks is held. Determined whether those with signatory authority have system access to print checks.

Exceptions: One of the persons with signatory authority has system access to print checks.

Management's response: There will be a separation of duties when the benefit of doing so exceeds the cost.

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.

Performance: Inquired of management as to whether the signature stamp is used only with the knowledge and consent of the signer and whether signed checks are likewise maintained under the control of the authorized user until mailed.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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15. Using the listing prepared by management, randomly select ten cards that were used during the fiscal period, rotating cards each year.

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.

Performance: Obtained all monthly statements for the ten cards and observed the monthly statement with the largest dollar activity for each card in order to determine that supporting documentation was reviewed and approved.

Exceptions: Although all credit cards transactions are reviewed and approved, written documentation of review and approval is not included on all of the monthly statements.

Management's response: Approval will be documented on each statement in the future.

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

Performance: Traced all credit card payments and balances on the credit card statements and determined whether finance charges or late fees were applied to balances.

Exceptions: One credit card had a late fee of \$75 and interest of \$2.

Management's response: Payments will be made timely in an effort to prevent the assessment of late fees and/or interest.

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)

Performance: Traced each transaction to an original itemized receipt.

Exceptions: Twenty-two original receipts were unavailable for review.

Management's response: Management will ensure that only credit card purchases supported by an original receipt be paid by the District Attorney.

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

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Performance: Observed documentation of the purpose of each transaction.
Exceptions: There were no exceptions.
Management's response: Not applicable.

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

Performance: Determined that no cash advances were made.
Exceptions: There were no exceptions.
Management's response: Not applicable.

- 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.

Performance: Compared the transaction detail to the written disbursement policy and for compliance with Louisiana Public Bid Law.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- 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. 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.

Performance: Inspected all transactions and compared them to the requirements of Article 7, Section 14 of the Louisiana Constitution.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- 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.

Performance: Obtained a list of all travel and related expense reimbursements.
Management's representation of the listing was confirmed in a separate letter.

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Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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.

Performance: Obtained and read the travel and expense reimbursement policy and compared the amounts in the policy to the per diem and mileage rates established by the U.S. General Services Administration.

Exceptions: Dollar thresholds by category of expense are not disclosed. The policy only mentions that travel should be reimbursed for all reasonable and necessary expenses while traveling on authorized company business. Mileage is not mentioned.

Management's response: Management will consider adding dollar and mileage reimbursement thresholds to the written policy.

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.

Performance: Selected the three employees who incurred the most travel costs during the period to further select the highest travel expenditure reimbursed. Compared expense documents to the applicable rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.

Performance: Traced expenses to original itemized receipts, expense reports, and mileage reports.

Exceptions: There were no exceptions noted.

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Management's response: Not applicable.

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

Performance: Reviewed documentation of the business/public purpose for each expense.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected all documents provided for all travel reimbursements selected.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Considered whether the business/purpose of each transaction complied with Article 7, Section 14.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected each expense reimbursement request to find approval by supervisors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

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Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Obtained the listing of contract vendors. Inspected each written contract that supports the services arrangement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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)

Performance: Determined that the District Attorney does not have to comply with the Public Bid Law or Procurement Code for any of the selected contracts in place.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected contracts and inquired of client as to receipt of any other quotes.

Exceptions: The District Attorney did not receive quotes on the contracts.

Management's response: The District Attorney will consider receiving quotes in the future when the situation applies.

- 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.

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Performance: Determined whether contracts were amended during the year.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- 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.

Performance: Inspected the invoice and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

Performance: Determined that no board meetings are held and that board approval on contracts does not apply to the District Attorney.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete.

Performance: Observed the listing of employees with their related salaries from management and received management's representation of completeness in a separate letter.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

- a) Randomly select five employees, obtain their personnel files, and 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.

Performance: Compared compensation in the salary schedules with payments made to employees during the fiscal year. Reviewed salary/hourly amounts in personnel files.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

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- 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.

Performance: Reviewed the personnel files to determine if changes were approved in writing and in accordance with written policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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 (or randomly select one-third of employees if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Randomly selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: The attendance of salaried employees is not documented.

Management's response: Salaried employees are not required to document their attendance, only their absences.

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

Performance: Confirmed that attendance and leave records were reviewed and approved by the proper supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 that earn leave.

Performance: Inquired and confirmed that the District Attorney maintains written leave records for each employee eligible for paid leave through the personnel files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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24. Obtain from management a list of those employees 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.

Performance: Inquired and inspected list of employees that terminated during the period and received management's representation of completeness in a separate letter. Determined that no termination payments were made or required.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inspected payroll reporting and retirement contribution forms as well as payments to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Observed the ethics course completion certificates for the employees tested.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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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.

Performance: Inquired of management of any ethics violations. None were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the only debt issued during the fiscal period was for the note on a vehicle acquired under a state contract. This type of debt does not fall under this section.

28. 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.

Performance: Determined that the only debt outstanding by the District Attorney is for vehicle notes. This type of debt does not fall under this section.

29. 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.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

30. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected all procedures and the results of such procedures and compared them to management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.