

**DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2017
With Supplemental Information Schedules**

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2017
With Supplemental Information Schedules

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DISTRICT ATTORNEY OF THE
 SIXTH JUDICIAL DISTRICT
 Parishes of East Carroll, Madison and Tensas, Louisiana
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Independent Auditor's Report

HONORABLE JAMES PAXTON
DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the District Attorney of the Sixth Judicial District, a component unit of the East Carroll, Madison and Tensas Parish Police Juries, as of December 31, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District Attorney of the Sixth Judicial District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Independent Auditor's Report,
December 31, 2017

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, the budgetary comparison information on pages 34 through 36, and the schedule of the District Attorney's proportionate share of the net pension liability on pages 37 through 38, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Sixth Judicial District's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 40 presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Independent Auditor's Report,
December 31, 2017

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 26, 2018, on my consideration of the District Attorney of the Sixth Judicial District's internal control over financial reporting and on my 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 my 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 of the Sixth Judicial District's internal control over financial reporting and compliance.



West Monroe, Louisiana
June 26, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Management's Discussion and Analysis
December 31, 2017

As management of the District Attorney of the Sixth Judicial District, I offer readers of the District Attorney of the Sixth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District Attorney of the Sixth Judicial District for the fiscal year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the district attorney's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district attorney's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District Attorney of the Sixth Judicial District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District Attorney of the Sixth Judicial District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney of the Sixth Judicial District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney of the Sixth Judicial District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Attorney of the Sixth Judicial District can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District Attorney of the Sixth Judicial District adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the District Attorney of the Sixth Judicial District's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District Attorney of the Sixth Judicial District's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the District Attorney of the Sixth Judicial District exceeded liabilities by \$1,022,834. Approximately 3% of the District Attorney of the Sixth Judicial District's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

An additional portion of the District Attorney of the Sixth Judicial District's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the District Attorney of the Sixth Judicial District to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION
Governmental Funds

	2017	2016
ASSETS		
Cash and cash equivalents	\$935,057	\$441,344
Receivables	140,636	109,825
Capital assets (net of accumulated depreciation)	31,911	22,587
TOTAL ASSETS	1,107,604	573,756
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	182,842	130,406
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$1,290,446	\$704,162
LIABILITIES		
Accounts payable	\$25,385	\$66,601
Payroll withholdings payable	3,349	3,355
Net pension liability	183,996	113,290
TOTAL LIABILITIES	212,730	183,246
DEFERRED INFLOWS OF RESOURCES		
Pension related	54,882	55,553
NET POSITION		
Invested in capital assets, net of related debt	31,911	22,587
Restricted	95,820	94,901
Unrestricted	895,103	347,875
TOTAL NET POSITION	1,022,834	465,363
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$1,290,446	\$704,162

STATEMENT OF ACTIVITIES

	2017	2016
Judicial:		
Personal services	\$1,278,757	\$1,236,859
Operating services	1,151,718	841,370
Materials and supplies	96,588	81,357
Travel	79,955	53,636
Depreciation expense	19,401	13,684
Total Program Expenses	2,626,419	2,226,906
Program revenues:		
Commissions on fines & forfeitures	2,159,365	1,621,836
Use of money - interest	4,686	925
Federal grants	309,266	276,228
State grants	390,000	401,388
Local grants	4,500	6,582
Total program revenues	2,867,817	2,306,959
Net Program Expenses	241,398	80,053
General revenues-		
Other revenues	312,573	80,658
Special item - gain (loss) on disposal of assets	3,500	(4,327)
Change in Net Position	557,471	156,384
Net Position - Beginning of year	465,363	308,979
Net Position - End of year	\$1,022,834	\$465,363

Financial Analysis of the Government's Funds

As noted earlier, the District Attorney of the Sixth Judicial District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, combined governmental fund balance of \$1,046,959 showed an increase of \$481,213 over December 31, 2016. The General Fund's portion of the unassigned fund balance of \$951,139 shows an increase (of approximately \$564,827) from the prior year amount.

General Fund Budgetary Highlights

The primary difference between expenditures of the original budget and the final budget were due to an increase in estimated personal services, operating services, materials and supplies and travel and other charges and a decrease in capital outlay. The primary difference between revenues of the original budget and the final budget were due to an increase in state grants and charges for fines and forfeitures.

Capital Asset and Debt Administration

Capital assets. The District Attorney of the Sixth Judicial District's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$31,911 (net of accumulated depreciation). This investment includes furniture and equipment. There were increase of \$28,725 in capital assets for the year. There were deletions of \$22,865 for the year.

Long-term debt. The District Attorney of the Sixth Judicial District has debt outstanding of \$183,996 at the end of the year, which consists of net pension liability.

Requests for Information

This financial report is designed to provide a general overview of the District Attorney of the Sixth Judicial District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Sixth Judicial District, P.O. Box 1389, Tallulah, LA 71284.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Governmental Activities
Statement of Net Position
December 31, 2017

Assets	
Cash and cash equivalents	\$935,057
Receivables	140,636
Capital assets (net)	<u>31,911</u>
Total Assets	<u>1,107,604</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>182,842</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u><u>\$1,290,446</u></u>
Liabilities	
Accounts payable	\$25,385
Payroll withholding payable	3,349
Net pension liability	<u>183,996</u>
Total Liabilities	<u>212,730</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	54,882
Net Position	
Invested in capital assets, net of related debt	31,911
Unrestricted	<u>990,923</u>
Total Net Position	<u>1,022,834</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$1,290,446</u></u>

See accompanying notes to basic financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2017

EXPENSES

Judicial:

Personal services	\$1,278,757
Operating services	1,151,718
Materials and supplies	96,588
Travel	79,955
Depreciation expense	19,401
Total Program Expenses	<u>2,626,419</u>

REVENUES

Program revenues:

Commissions on fines and forfeitures	2,159,365
Use of money - interest	4,686
Federal grants	309,266
State grants	390,000
Local funds	4,500
Total program revenues	<u>2,867,817</u>
Net Program Expenses	241,398

General revenues:

Other revenues	312,573
Special item - gain(loss) on disposal of assets	3,500
Change in Net Position	557,471
Net Position - Beginning of year	465,363
Net Position - End of year	<u>\$1,022,834</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana
GOVERNMENTAL FUNDS

Combined Balance Sheet, December 31, 2017

	...MAJOR FUNDS...		
	GENERAL FUND	IV-D SPECIAL REVENUE FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$856,150	\$78,907	\$935,057
Receivables	119,153	21,483	140,636
TOTAL ASSETS	<u><u>\$975,303</u></u>	<u><u>\$100,390</u></u>	<u><u>\$1,075,693</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$24,164	\$1,221	\$25,385
Payroll deductions payable		3,349	3,349
Total Liabilities	<u>24,164</u>	<u>4,570</u>	<u>28,734</u>
Fund Equity - fund balance:			
Restricted - other general government		95,820	95,820
Unassigned	951,139		951,139
Total Fund Equity	<u>951,139</u>	<u>95,820</u>	<u>1,046,959</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$975,303</u></u>	<u><u>\$100,390</u></u>	<u><u>\$1,075,693</u></u>

See accompanying notes and accountant's compilation report.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison,
and Tensas, Louisiana

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

For the Year Ended December 31, 2017

Total Fund Balances at December 31, 2017 - Governmental Funds (Statement C)		<u>\$1,046,959</u>
Deferred outflows of resources		182,842
Cost of capital assets at December 31, 2017	\$186,204	
Less: Accumulated depreciation as of December 31, 2017	<u>(154,293)</u>	31,911
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(183,996)
Deferred inflows of resources		<u>(54,882)</u>
Net Position at December 31, 2017 (Statement A)		<u><u>\$1,022,834</u></u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	...Major Funds....		
	General	IV-D	Total
REVENUES			
Intergovernmental revenues:			
Federal grants	\$26,161	\$283,105	\$309,266
State grants	\$390,000		390,000
Local funds	4,500		4,500
Commissions on fines & forfeitures	2,159,365		2,159,365
Use of money - interest	4,381	305	4,686
Other revenues	254,382	2,123	256,505
Total revenues	2,838,789	285,533	3,124,322
EXPENDITURES			
Current:			
Judicial:			
Personal services and related benefits	982,187	222,903	1,205,090
Operating services	1,128,943	22,775	1,151,718
Materials and supplies	63,835	32,753	96,588
Travel and other charges	73,772	6,183	79,955
Capital outlay	28,725		28,725
Total expenditures	2,277,462	284,614	2,562,076
EXCESS OF REVENUES OVER EXPENDITURES	561,327	919	562,246
OTHER FINANCING SOURCE			
Proceeds from disposal of assets	3,500		3,500
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	564,827	919	565,746
FUND BALANCES - BEGINNING	386,312	94,901	481,213
FUND BALANCES - ENDING	\$951,139	\$95,820	\$1,046,959

See accompanying notes to basic financial statements.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison,
and Tensas, Louisiana

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

For the Year Ended December 31, 2017

Total net change in fund balances - governmental funds (Statement D)	\$565,746
Amounts reported for governmental activities in the Statement of Activities are different	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	9,324
Non-employer contributions to cost-sharing pension plan	56,068
Pension expense	<u>(73,667)</u>
Change in net position of governmental activities (Statement B)	<u>\$557,471</u>

The accompanying notes are an integral part of this statement.

Statement E

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Statement of Fiduciary Net Assets - Agency Fund

December 31, 2017

	<u>SPECIAL ASSET FORFEITURE</u>
ASSETS	
Cash and cash equivalents	<u>\$41,888</u>
LIABILITIES	
Deposits due others	<u>\$41,888</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the District Attorney of the Sixth Judicial District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic 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*, issued in June 1999.

A. REPORTING ENTITY

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

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

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the district attorney to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the district attorney.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

2. Organizations for which the district attorney does not appoint a voting majority but are fiscally dependent on the district attorney.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the district attorney's office is located and provides partial funding for equipment, furniture and supplies of the district attorney's office, the district attorney was determined to be a component unit of the Madison Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Madison Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

The district attorney reports the following major governmental funds:

The General Fund is the district attorney's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district attorney.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district attorney first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, 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 (Statement B) are derived directly from parties outside the district attorney's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district attorney's general revenues.

Allocation of Indirect Expenses - The district attorney reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district attorney. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district attorney's current operations require the use of only governmental funds. The governmental fund types used by the district attorney is described as follows:

Governmental Fund Type

**General Fund (District
Attorneys' Expense)**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal and state grants and fees for services. Those revenues are legally restricted, either by grant agreement or state law, to expenditures for specified purposes such as family and child support programs, and specified expenses of the district attorney's office.

Fiduciary Fund Type - Agency Fund

The Special Asset Forfeiture Agency Fund accounts for all transactions involving money seized during controlled substance cases, sale of property seized during controlled substance cases and later declared forfeited by the courts, and the distribution of the above funds in accordance with Louisiana Revised Statute 40:2616. The fund was created by the Seizure and Controlled Dangerous Substance Property Forfeiture Act of 1989 and became effective January 1, 1990.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

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

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds 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 compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collector.

Fees from the collection of worthless checks are recorded in the year they are collected. Grants are recorded when the district attorney is entitled to the funds. Interest income on time deposits is recorded when the time deposits have matured and the interest is available. Substantially all other revenues are recorded when received.

Based on the above criteria, commissions on fines and bond forfeitures, and grants have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the district attorney, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

F. VACATION AND SICK LEAVE

Employees of the district attorney's office receive from 5 to 20 days of non-cumulative vacation leave each year, depending on their length of service. Each employee is allowed 10 days of sick leave each calendar year. There is a limit of 90 days of sick leave that an employee can accumulate. However, at retirement or termination, the employee forfeits all unused sick leave.

G. RISK MANAGEMENT

The district attorney is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district attorney maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2017.

H. CASH AND CASH EQUIVALENTS

Under state law, the district attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the district attorney has cash and cash equivalents (book balances) totaling \$976,945.

Demand deposits	\$486,766
Time deposits	<u>490,179</u>
Total	<u>\$976,945</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at December 31, 2017, total \$1,024,761 and are fully secured by federal deposit insurance and pledged securities.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

I. PENSION PLANS

The District Attorney’s Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

2. RECEIVABLES

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

	General Fund	Title IV-D Special Revenue Fund	Total
Intergovernmental revenues:			
Federal-Department of Health and Human Services		\$21,483	\$21,483
Fees, charges and commissions, etc.	\$119,153		119,153
Total	<u>\$119,153</u>	<u>\$21,483</u>	<u>\$140,636</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office equipment follows:

Balance, January 1, 2017	\$180,344
Additions	28,725
Deletions	<u>(22,865)</u>
Balance at December 31, 2017	186,204
Less accumulated depreciation	<u>(154,293)</u>
Net capital assets	<u>\$31,911</u>

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

4. PENSION PLAN

District Attorney's Retirement System of Louisiana (System)

Plan Description

The District Attorney of the Sixth Judicial District contributes to the District Attorneys' Retirement System of Louisiana (System) which 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 Louisiana R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. All persons who are district attorneys of the State of Louisiana or assistant district attorneys in any parish shall become members as a condition of their employment, provided in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys.

Any member of the Plan who was hired prior to July 1, 1990, and who have elected not to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 62 after 10 or more years of creditable service.
2. Age 60 after 18 or more years of creditable service.
3. Age 55 after 23 or more years of creditable service.
4. Any age after 30 or more years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of the Plan shall consist of an amount equal to three percent of the employee's final compensation for each year of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

Any member of the Plan who was hired after July 1, 1990, or who have elected to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 60 after 10 or more years of creditable service.
2. Age 55 after 24 or more years of creditable service.
3. Any age after 30 or more years of creditable service.

Generally, the monthly amount of the retirement allowance of any member of the Plan shall consist of an amount equal to 3.5% of the employee's final compensation multiplied by years of membership service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2017, the District Attorney of the Sixth Judicial District's total payroll for all employees was \$1,161,320. Total covered payroll was \$753,089. Covered payroll refers to all compensation paid by the District Attorney of the Sixth Judicial District to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the District Attorneys' Retirement System of Louisiana, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824, or by visiting the System's website www.ladars.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2016, the actual employer contribution rate was 0% for January December, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. 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, but are not considered special funding situations.

Members are required by state statute to contribute 8.0% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the District Attorney of the Sixth Judicial District to the System monthly. The District Attorney of the Sixth Judicial District's contributions to the System for the year ending December 31, 2017 were \$0.

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

At December 31, 2017, the Employer reported a liability of \$183,996 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District Attorney of the Sixth Judicial District's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District Attorney's proportion was 0.5113%, which was a decrease of 0.0806% from its proportion measured as of June 30, 2016.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

For the year ended December 31, 2017, the District Attorney of the Sixth Judicial District recognized pension expense of \$0 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$73,667. Total pension expense for the District Attorney of the Sixth Judicial District for the year ended December 31, 2017 was \$73,667.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$130,406	\$55,553
Change in system deferred outflows and inflows	48,106	(671)
Changes in proportionate share	4,330	
Contributions for the measurement period	-0-	
Employer contributions subsequent to the measurement date	-0-	
Total	\$182,842	\$54,882

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

Year ended December 31,	
2018	11,977
2019	48,324
2020	25,232
2021	6,789
2022	10,194
2023	10,920

Actuarial Assumptions

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

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal costs
Actuarial Assumptions:	
Investment Rate of Return	6.75%, per annum
Salary increases	5.5% (2.5% inflation, 3.0% merit)
Mortality rates	RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Table(set back 1 year for females) RP 2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females
Expected remaining service lives	7 years
Cost of Living Adjustments	Only those previously granted

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

Asset Class	Target Allocation	Expected Portfolio Real Rate of Return
Equities	61.72%	11.31%
Fixed income	28.95%	6.84%
Alternatives	8.85%	10.50%
Cash	.48%	0.50%
Totals	100%	6.56%
Inflation		2.50%
Expected arithmetic nominal return		9.06%

DISTRICT ATTORNEY OF THE
 SIXTH JUDICIAL DISTRICT
 Parishes of East Carroll, Madison and Tensas, Louisiana
 Notes to the Financial Statements (Continued)

Discount Rate

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

Sensitivity of the District Attorney of the Sixth Judicial District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District Attorney of the Sixth Judicial District’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the District Attorney’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer’s proportionate share of net pension liability	\$525,791	\$183,996	(\$106,448)

Plan Fiduciary Net Position

Detailed information about the System’s fiduciary net position is available in the separately issued District Attorneys’ Retirement System of Louisiana Audit Report at www.ladars.org.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The District Attorney’s office does not pay retirees group insurance upon retirement.

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in unsettled deposits due to others for the year ended December 31, 2017, follows:

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana
Notes to the Financial Statements (Continued)

Balance, January 1, 2017	\$43,086
Additions	12,233
Reductions	<u>(13,431)</u>
Balance, December 31, 2017	<u>\$41,888</u>

7. LITIGATION AND CLAIMS

At December 31, 2017, the district attorney is not involved in any lawsuits.

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

The accompanying financial statements do not include certain expenditures of the district attorney paid out of the funds of the criminal court, the parish police jury, or directly by the state.

Required Supplemental Information (Part II)

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

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

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental revenues:				
Federal grants			\$26,161	\$26,161
State grants	\$22,500	\$418,045	390,000	(28,045)
Local funds			4,500	4,500
Charges for fines & forfeitures	1,140,980	1,382,307	2,159,365	777,058
Use of money - interest			4,381	4,381
Other revenues	12,500	12,500	254,382	241,882
Total revenues	<u>1,175,980</u>	<u>1,812,852</u>	<u>2,838,789</u>	<u>1,025,937</u>
Expenditures				
Current:				
Judicial:				
Personal services and related benefits	654,067	944,376	982,187	(37,811)
Operating services	498,355	771,677	1,128,943	(357,266)
Materials and supplies	29,233	39,700	63,835	(24,135)
Travel and other charges	42,000	63,607	73,772	(10,165)
Capital outlay	21,871	11,416	28,725	(17,309)
Total expenditures	<u>1,245,526</u>	<u>1,830,776</u>	<u>2,277,462</u>	<u>(446,686)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(69,546)</u>	<u>(17,924)</u>	<u>561,327</u>	<u>579,251</u>
Other Financing Source				
Proceeds from disposal of assets			3,500	3,500
Excess (Deficiency) of Revenues and Other Source over Expenditures	<u>(69,546)</u>	<u>(17,924)</u>	<u>564,827</u>	<u>582,751</u>
Fund Balance - Beginning	<u>NONE</u>	<u>NONE</u>	<u>386,312</u>	<u>386,312</u>
Fund Balance - Ending	<u>(\$69,546)</u>	<u>(\$17,924)</u>	<u>\$951,139</u>	<u>\$969,063</u>

(Continued)

Schedule 1

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental revenues - Federal	\$283,105	\$283,105	
Use of money - interest		305	\$305
Other revenues		2,123	2,123
Total revenues	<u>283,105</u>	<u>285,533</u>	<u>2,428</u>
Expenditures			
Current:			
Judicial:			
Personal services and related benefits	222,903	222,903	
Operating services	22,775	22,775	
Materials and supplies	32,753	32,753	
Travel and other charges	6,183	6,183	
Total expenditures	<u>284,614</u>	<u>284,614</u>	<u>NONE</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,509)</u>	<u>919</u>	<u>2,428</u>
Fund Balance - Beginning	<u>94,901</u>	<u>94,901</u>	<u>NONE</u>
Fund Balance - Ending	<u><u>\$93,392</u></u>	<u><u>\$95,820</u></u>	<u><u>\$2,428</u></u>

(Concluded)

**District Attorney for the 6th Judicial District
Parishes of East Carroll, Madison and Tensas, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2017**

The proposed budget, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district attorney and amended during the year, as necessary. The budget is established and controlled by the district attorney at the object level of expenditure. The district attorney does not utilize encumbrance accounting. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the district attorney.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts.

**District Attorney of the
Sixth Judicial District
Schedule of Employer's Share of Net Pension Liability
December 31, 2017**

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.539160%	\$29,042	\$739,675	3.93%	98.56%
June 30, 2016	0.591879%	\$113,290	\$687,670	16.47%	95.09%
June 30, 2017	0.511256%	\$183,996	\$753,089	24.43%	93.57%

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

**District Attorney of the
Sixth Judicial District
Schedule of Employer Contributions
December 31, 2017**

Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$38,601	\$38,601	\$0	\$739,675	5.22%
June 30, 2016	\$12,536	\$12,536	\$0	\$687,670	1.82%
June 30, 2017	\$0	\$0	\$0	\$753,089	0.00%

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

OTHER SUPPLEMENTARY INFORMATION

PART III

DISTRICT ATTORNEY
OF THE SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and
Tensas, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017

JAMES PAXTON, DISTRICT ATTORNEY

PURPOSE	AMOUNT
Salary	\$129,246
Salary-State	50,000
Salary-Police Juries	4,500
Benefits-insurance - Police Jury	30,340
Auto Allowance	9,600
Per Diem	305
Registration fees	325
Hotels	944
Mileage	423
Professional - insurance	123

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART III**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance with laws, regulations, contracts and internal control is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

**Independent Auditors Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

HONORABLE JAMES PAXTON
DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District Attorney of the Sixth Judicial District, a component unit of the East Carroll, Madison and Tensas Parish Police Juries, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the District Attorney of the Sixth Judicial District's basic financial statements, and have issued my report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist 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.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2017

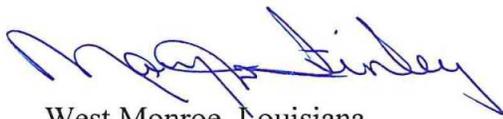
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Attorney of the Sixth Judicial District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as findings 2017-001 and 2017-002 in the accompanying schedule of findings and questioned costs.

Purpose of this Report

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



West Monroe, Louisiana
June 26, 2018

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of District Attorney of the Sixth Judicial District.
2. Two instances of noncompliance material to the financial statements of District Attorney of the Sixth Judicial District were disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Finding 2017-001 Need to Comply with Louisiana Local Government Budget Act

Finding: The district attorney's office did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the political subdivisions with proposed expenditures greater than five hundred thousand dollars shall afford the public an opportunity to participate in the budgetary process, and that an advertisement for a public hearing must be published at least 10 days prior to the public hearing. The district attorney's office failed to amend the expenditures, actual expenditures exceeded budgeted expenditures by approximately 24%. The District Attorney's office also budgeted a deficit fund balance for the original and final amended budgets.

Recommendation: I recommend that the district attorney comply with all the requirements of the Louisiana Local Government Budget Act.

Finding 2017-002 Need to Comply Disposal of Surplus Property

Finding: The district attorney's office disposed of an asset by trade-in on a new asset. The Louisiana Constitution Article VII, Section 14(E) provides that nothing prohibits the donation or exchange of surplus movable property among political subdivisions whose function is public safety, but does not allow for trade-in against the purchase of another asset.

Recommendation: I recommend that the district attorney's office dispose of surplus property in a lawful manner.

DISTRICT ATTORNEY OF THE
SIXTH JUDICIAL DISTRICT
Parishes of East Carroll, Madison and Tensas, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2017

Finding 2016-001 Need to Comply with Louisiana Local Government Budget Act

Finding: The district attorney's office did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the political subdivisions with proposed expenditures greater than five hundred thousand dollars shall afford the public an opportunity to participate in the budgetary process. The district attorney's office did not advertise for a public hearing or budget adoption.

Status: This finding has not been corrected and is included as Finding 2017-001.

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June 26, 2018

Louisiana Legislative Auditor
Daryl G. Purpera

Dear Mr. Purpera:

Finding 2017-001 Need to comply with Louisiana Local Government Budget Act:

In the future, we will make sure there is no deficit in the budget and that when amended we are within the 5%.

Finding 2017-002 Need to comply Disposal of Surplus Property:

In the future, we will make sure the disposal of surplus property is a separate transaction making sure to comply with the Disposal of Surplus Property.

Sincerely,

James E. Paxton
6th Judicial District Attorney

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

Independent Accountant's Report on Applying Agreed-Upon Procedures

Sixth Judicial District Attorney
PO Box 1389
Tallulah, LA 71284

To the Sixth Judicial District Attorney's Office

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

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

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

1. WRITTEN POLICIES AND PROCEDURES

The 6th Judicial District Attorney has no written policies and procedures for the test period.

2. BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

The 6th Judicial District Attorney's office does not have a board or a finance committee therefore this procedure is not applicable.

BANK RECONCILIATIONS

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

The agency provided me with a certified list of all bank accounts.

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

The agency had a total of 11 bank accounts, so a random sample of 5 bank accounts were selected to test the following:

- A) Bank reconciliations have been prepared;

For the 5 bank accounts selected above, all were reconciled each month for the period tested.

- 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;

For the 4 of the 5 bank accounts selected above, it was determined that the reconciliations are performed by the office administrator and the other account tested was reconciled by the non support administrator.

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

For the 5 bank accounts selected above, 2 of the 5 accounts had no outstanding reconciling items over six months. 3 accounts had outstanding items over 6 months old.

COLLECTIONS

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

Agency provided me with a certified list of collection locations and I verified that it was complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:

The agency has 3 collection locations. All were selected for testing for the following:

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

The District Attorney's office does not have an employee theft insurance policy. The agency has 4 cash drawers. The clerks in each department receive the payments for their department and they each make the appropriate entries in the court system and then the office administrator makes weekly deposits and posts the receipts to the accounting software. At the end of the month, the office administrator reconciles the bank accounts, except for the non support and hot check. The non support administrator reconciles her accounts. The hot check clerk reconciles her bank accounts.

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

The DA's office makes weekly deposits. The deposit is posted to the accounting system when deposit slip is received by the office administrator.

- C) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was September 10, 2017 thru September 16, 2017, which was tested for the following:

- ▶ 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.

All funds were tested for deposits of collections. For the week tested, daily deposits were not made.

- ▶ 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.

All funds of the district attorney's office was tested for deposits of collections. All collections for the week tested had proper documentation.

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

The agency does not have a written policies or procedures to determine completeness of collections or revenue sources.

DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT CARD/P-CARD PURCHASES OR PAYMENTS)

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

Agency provided a complete year to date general ledger for all funds and represented that the general ledger was complete.

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

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

The District Attorney does not use purchase orders or requisitions.

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

The District Attorney does not use purchase orders or requisitions. The District Attorney initiates and approves all purchases.

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

Of the disbursements selected to be tested, most were processed with all of the required support. The District Attorney did not use purchase orders or requisitions.

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

The 6th Judicial District Attorney uses Quickbooks software which does not allow them to restrict any user from adding vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The office administrator initiates all checks and signs all checks. The office administrator reconciles all of the bank accounts. The non support administrator initiates all non support expenditures, signs all non support checks and reconciles the bank account.

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

The unused checks are stored in a secure location, but are not restricted to the employees with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The 6th Judicial District Attorney does not use a signature check stamp.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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

The District Attorney provided me with a list of the 11 active credit cards, fuel cards, etc.

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

From the list in #14, 6 cards were randomly selected to test the following: (DA has no credit cards)

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

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

The administrative assistant scans the credit card statements. Then she attaches the receipts. There were a number of charges each month with no support attached.

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

The district attorneys credit cards had late charges and interest charges.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for the card selected (i.e. each of the 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)

The agency is not attaching support to the credit card statements for all charges.

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

Due to the agency not attaching all support for meals charged to the credit card, we were unable to verify that the charges were for business purchases,

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

The District Attorney has no other documentation required for credit card purchases,

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.

There were no credit card purchases that meet the public bid law for purchases.

C) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Due to the agency not attaching all support for credit card purchases, we were unable to verify that there were no Article 7, Section 14 violations.

TRAVEL AND EXPENSE REIMBURSEMENT

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

The agency provided me with a certified list of employees who received travel or related expense reimbursements during the testing period.

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.

Agency does not have written policy and procedures for travel. The transactions selected to test were compared to the U.S. General Services Administration policies. The 3 employees selected that were paid the highest amount for travel or related expenses during the test period were tested against the written policies and procedures. The District Attorney and several other employees stayed in Destin, Florida in July, 2017 and paid a nightly rate of \$237, the GSA rate was \$215. An employee stayed in Baton Rouge, Louisiana in February, 2017 and April, 2017 and paid a rate of \$98 each time, the GSA rate is \$97. An employee stayed in Baton Rouge, Louisiana in June, 2017 and paid a rate of \$109, the GSA rate is \$97. Same employee stayed in Lake Charles, Louisiana in March, 2017 and paid a rate of \$109 per night, the GSA rate is \$97. The same employee stayed in New Orleans, Louisiana in November, 2017 and paid a rate of \$156, the GSA rate is \$148.

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 expense selected:

The 3 employees with the travel costs during the test period were selected and tested for the following:

- 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.

The agency had no written policies or procedures for travel, so amounts selected were compared to the GSA rates, exceptions noted above in question 18.

B) Report whether each expense is supported by:

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

All travel reimbursements tested had original itemized receipts.

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

All travel reimbursements tested were determined to be for business purposes. Due to the agency not attaching meal receipts, we were unable to determine it was for business purposes.

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

No other documentation is required by the agency for travel reimbursements.

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

No violations of Article 7 Section 14 were noted during testing.

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

All employees that received any travel or related expense reimbursements during the test period were approved by the District Attorney.

CONTRACTS

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

Agency provided a certified list of all contracts in effect during the test period.

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:

Five contracts were selected from the list of contracts from #20 and tested for the following:

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

Agency has a formal/written contract for all selected to be tested.

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

For the contracts tested, none required compliance with the public bid law. The agency did solicit quotes to get the best deal for the District Attorney.

- 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.

The contracts selected was not amended.

- D) Select the largest payment from each of the five contracts, obtain the supporting invoices, compare the invoice to the contract terms, and report whether the

invoice and related payment complied with the terms and conditions of the contract.

The contract payments that were tested were in compliance with the contract terms and conditions.

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

This is not applicable to the District Attorney.

PAYROLL AND PERSONNEL

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

Agency provided a certified list of all employees with their authorized salaries. Five employees were selected to test the following:

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

The 5 employees of the District Attorney that were chosen to be tested, were paid in accordance with the terms and conditions of their employment.

- 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.

All changes to the salaries of the 5 employees chosen were approved by the District Attorney in writing.

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

- A) Report whether all selected employees/official documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and

leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Of the 5 employees selected, all employees that are eligible to earn leave time do not document their leave time earned and used. The agency does not track leave time earned and used. The employees are allowed to accumulate leave time and carry forward, but are not compensated upon termination.

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

Of the 5 employees that were selected, the District Attorney did not approve the employees attendance and leave time.

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

The agency does not track leave time. Leave time is allowed to accrue, but not compensated upon termination.

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

The agency provided a certified list of employees terminated during the test period. There was 1 employee terminated during the test period. The terminated employee termination payments were made in compliance with the policy.

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.

During testing of the agency it was determined that the 6th Judicial District Attorney is submitting payroll tax, retirement contributions and required forms by the required deadlines.

ETHICS (EXCLUDING NONPROFITS)

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

Agency provided support for ethics training for the 5 randomly selected employees above.

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

There were no ethics violations reported to the District Attorney during the test period.

DEBT SERVICE (EXCLUDING NONPROFIT)

The District Attorney has no debt outstanding, therefore this section is not applicable.

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

The 6th Judicial District Attorney had no debt outstanding during the test period that required bond commission approval.

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

The 6th Judicial District Attorney has no debt outstanding during the test period.

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

The 6th Judicial District Attorney has no debt outstanding, therefore, this does not apply.

OTHER

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

The District Attorney's office has no known misappropriation of funds noted during the test period.

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

I observed the fraud hotline notice posted on the premises.

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

There were no other exceptions noted during procedures.

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

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



Mary Jo Finley, CPA
June 26, 2018

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June 26, 2018

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: 2017 Application of Agreed-Upon Procedures

Dear Sir:

We respond to the application of the AUPs as follows, to wit:

- 1.A. The 6th Judicial District Attorney does have policies and procedures but they are not written. We are in the process of writing these.
- 4.B. Due to the size of our office, it is not feasible to hire additional people for this task.
- 4.C. We are now in the process of cleaning up these outstanding items.
- 6.A. There is no law which states we are required to have an employee theft insurance policy.
- 6.B.& C. Due to the size of our office and number of personnel, this is not feasible.
- 7.A. We have policies and procedures. They are not written. We are in the process of writing them.
- 9.B. Purchase orders are not used by the District Attorney's Office. As District Attorney, I am ultimately responsible for approval of all purchasing.
10. The 6th Judicial District Attorney's Office uses Quickbooks software which does not allow us To restrict any user from adding vendors.
- 11.A. Due to the size of our office, it is not feasible to do this any other way. The District Attorney reviews all paid invoices.

15.A. As District Attorney, I am ultimately responsible for all financial aspects of the District Attorney's Office, including the review and payment of all credit cards; therefore, we have not segregated The duties as much as suggested by the AUP procedures.

15. B. This was inadvertently mailed late. We will do our best not to let this happen again.

16. A.&C. In the future, all support will be attached. If for meals, documentation will have those
19.B. attending and purpose.

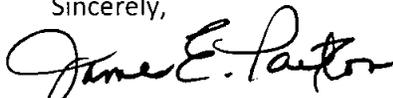
18.A. The District Attorney paid the negotiated rate for the conference and stayed at the hotel in which the conference was held.

19.A. We do have policies and procedures in place. They are not written at this time. We are in the process of writing them.

23.A.B.C. Processes will be put in place to track leave and sick time. The supervisor or District Attorney will approve all leave or sick time. Only leave time accrued that year will be compensated upon termination.

Should you have any questions, please do not hesitate to call.

Sincerely,



James E. Paxton

6th Judicial District Attorney