

**DISTRICT ATTORNEY OF THE
TWENTY-FOURTH JUDICIAL DISTRICT
JEFFERSON PARISH, LOUISIANA**

Annual Financial Report

Year Ended December 31, 2017

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-10
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of net position	11
Statement of activities	12
FUND FINANCIAL STATEMENTS	
Balance sheet - governmental fund	13
Reconciliation of the governmental funds balance sheet to the statement of net position	14
Statement of revenues, expenditures, and changes in fund balance - governmental fund	15
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	16
Statement of assets and liabilities – Asset Forfeiture Fund	17
Statement of changes in assets and liabilities – Asset Forfeiture Fund	18
Notes to financial statements	19-47
REQUIRED SUPPLEMENTARY INFORMATION:	
General Fund:	
Budgetary Comparison Schedule	48
Other Post Employment Benefit Plans -	
Schedule of Funding Progress and Employer Contributions	49
Schedule of the Employer's Proportionate Share of the Net Pension Liability	50
Schedule of the Employer's Pension Contributions	51
Notes to Required Supplementary Information	52
OTHER SUPPLEMENTARY INFORMATION	
Schedule of compensation, benefits, and other payments to Agency Head or Chief Executive Officer	53
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	54-55
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	56-58
Schedule of Expenditures of federal awards	59
Notes to the Schedule of Expenditures of federal awards	60
Summary of findings and questioned costs	61



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June 21, 2018

Honorable Paul D. Connick, Jr.
District Attorney of the Twenty-Fourth Judicial District
Jefferson Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Fourth Judicial District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Fourth 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

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the schedule of funding progress and employer contributions - other post-employment benefit plans, the schedule of the employer's proportionate share of the net pension liability, and the schedule of the employer's pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Twenty-Fourth Judicial District's basic financial statements. The schedule of compensation, benefits, and other payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to Agency Head or Chief Executive Officer and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to Agency Head or Chief Executive Officer and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2018, on our consideration of the District Attorney of the Twenty-Fourth Judicial District's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Twenty-Fourth Judicial District's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis

Within this section of the annual financial report of the District Attorney of the Twenty-Fourth Judicial District of Jefferson Parish (the District Attorney), the District Attorney's management provides this narrative discussion and analysis of the financial activities of the District Attorney for year ended December 31, 2017. The District Attorney's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The District Attorney's assets and deferred outflows exceeded its liabilities and deferred inflows by \$13,448,639 (net position) for the year reported.

Total net position is comprised of the following:

- Net investment in capital assets of \$8,766,362 includes property and equipment, net of accumulated depreciation.
- Unrestricted net position of \$4,682,277 represents the portion available to maintain the District Attorney's continuing obligations to citizens and creditors.

The District Attorney's General Fund reported total ending fund balance of \$10,768,597 which was classified as \$10,749,054 unassigned and \$19,543 as nonspendable. This compares to the prior year ending fund balance of \$8,504,763 showing an increase of \$2,263,834 during the current year, due to an increase in revenues from charges for services.

The unassigned fund balance for the General Fund was \$10,749,054 or 56% of total General Fund expenditures and 50% of total General Fund revenues.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District Attorney's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District Attorney also includes in this report additional information to supplement the basic financial statements.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District Attorney's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District Attorney's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement presenting information that includes all of the District Attorney's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the District Attorney would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the District Attorney's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District Attorney's distinct activities or functions on revenues provided by the Parish, the State of Louisiana, and the Federal Government.

The government-wide financial statements present governmental activities of the District Attorney that are principally supported by intergovernmental revenues. The sole function of these governmental activities is judicial.

The government-wide financial statements are presented on pages 11 - 12 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District Attorney uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District Attorney's most significant funds rather than the District Attorney as a whole.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis (Continued)

FUND FINANCIAL STATEMENTS - continued

The District Attorney has two types of funds:

1) GOVERNMENTAL FUNDS are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District Attorney's governmental funds, including object classifications. These statements report short-term fiscal accountability, focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 13-16 of this report.

2) FIDUCIARY FUNDS are reported in the fund financial statements. The District Attorney has only one fiduciary fund which is the Asset Forfeiture Agency Fund. This fund reports seized assets held pending final disposition.

The agency fund financial statements are presented on pages 17 and 18 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 19 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District Attorney's budget presentations. A budgetary comparison statement is included as "required supplementary information" for the General Fund. This statement demonstrates compliance with the District Attorney's adopted and final revised budget. This statement can be found on page 48 of this report.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

The following table provides a summary of the District Attorney's net position for the past two years. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District Attorney as a whole.

Summary Statements of Net Position

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Assets:		
Current assets	\$11,103,483	\$ 8,767,141
Capital assets	<u>8,766,362</u>	<u>9,149,744</u>
Total assets	<u>19,869,845</u>	<u>17,916,885</u>
Deferred Outflows of Resources:		
Deferred outflows related to pensions	<u>4,403,076</u>	<u>5,372,970</u>
Liabilities:		
Current liabilities	417,996	583,012
Long-term liabilities	<u>9,324,645</u>	<u>9,043,910</u>
Total liabilities	<u>9,742,641</u>	<u>9,626,922</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>1,081,641</u>	<u>1,245,215</u>
Net Position:		
Net Investment in capital assets	8,766,362	9,149,744
Unrestricted	<u>4,682,277</u>	<u>3,267,974</u>
Total net position	<u>\$13,448,639</u>	<u>\$12,417,718</u>

The District Attorney continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 26.56 to 1 for the year ended December 31, 2017, and 15.04 to 1 for the year ended December 31, 2016.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis (Continued)

The following table provides a summary of the District Attorney's changes in net position:

Summary Statements of Activities

	<u>Year Ended December 31, 2017</u>		<u>Year Ended December 31, 2016</u>	
	<u>Governmental</u>	<u>Percentage</u>	<u>Governmental</u>	<u>Percentage</u>
	<u>Activities</u>	<u>of Total</u>	<u>Activities</u>	<u>of Total</u>
Revenues:				
Program:				
Charges for services, fees and fines	\$ 3,403,495	15%	\$ 3,586,056	15%
Operating grants and Intergovernmental	17,922,037	82%	18,767,631	78%
General:				
Interest and other income	<u>663,613</u>	<u>3%</u>	<u>1,552,988</u>	<u>7%</u>
Total revenues	<u>21,989,145</u>	<u>100%</u>	<u>23,906,675</u>	<u>100%</u>
Program Expenses:				
Judicial	20,958,224	100%	21,828,176	100%
Interest on long-term debt	<u>-0-</u>	<u>0%</u>	<u>5,111</u>	<u>0%</u>
Total expenses	<u>20,958,224</u>	<u>100%</u>	<u>21,833,287</u>	<u>100%</u>
Change in net position	1,030,921		2,073,388	
Beginning net position	12,417,718		10,344,330	
Ending net position	\$ <u>13,448,639</u>		\$ <u>12,417,718</u>	

GOVERNMENTAL REVENUES

The District Attorney is heavily reliant on funding from Jefferson Parish, the State of Louisiana, and the Federal Government to support its operations. Unlike many other agencies, the District Attorney receives no property tax or sales tax revenue. The District Attorney's financial position has enabled it to earn interest of \$97,423 and \$44,067 for the years ended December 31, 2017 and 2016, respectively, to support governmental activities.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis (Continued)

GOVERNMENTAL FUNCTIONAL EXPENSES

The total governmental function of the District Attorney is judicial activities. Of the total costs, depreciation on the building, equipment, and vehicles was \$470,973 and \$514,401 for the years ended December 31, 2017 and 2016, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds, of which the General Fund is the only one reported, had an ending fund balance of \$10,768,597. Of this amount, \$10,749,054 is unassigned indicating availability for continuing the District Attorney's activities.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the District Attorney's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$2,263,834 from the prior year. General fund revenues for the current year were \$1,856,484 less than the prior year and expenditures were \$1,258,049 less than the prior year, due to a decrease in revenues regarding intergovernmental revenue and grants, and a decrease in expenditures regarding personnel and related benefits.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund's original revenue budget was amended reflecting a decrease of \$346,123 due to lower revenue projections. The General Fund's original expenditure budget was decreased \$1,106,627 primarily in the category of operating services.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District Attorney's investment in capital assets, net of accumulated depreciation as of December 31, 2017 was \$8,766,362. See Note 4 of the notes to the financial statements for additional information about changes in capital assets during the current year. The following table provides a summary of capital asset activity.

	<u>Capital Assets</u>	
	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Non depreciable assets:		
Construction in progress	\$ 15,671	\$ -0-
Total non depreciable assets	15,671	-0-
Depreciable assets:		
Office building	12,798,603	12,798,603
Furniture, fixtures and equipment	2,451,351	2,425,975
Vehicles	<u>246,905</u>	<u>308,944</u>
Total depreciable assets	15,496,859	15,533,522
Less accumulated depreciation	<u>(6,746,168)</u>	<u>(6,383,778)</u>
Capital assets, net	<u>\$ 8,766,362</u>	<u>\$ 9,149,744</u>
Percentage depreciated	43%	41%

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney's finances, to comply with finance-related laws and regulations, and to demonstrate the District Attorney's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Paul D. Connick, Jr., District Attorney of the Twenty-Fourth Judicial District, located at 200 Derbigny Street, Gretna, LA 70053.

GOVERNMENT - WIDE FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Statement of Net Position
December 31, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 10,139,748
Accounts receivable	400,906
Due from agency fund	543,286
Prepaid expenses	<u>19,543</u>
Total current assets	<u>11,103,483</u>

Non-current Assets:

Construction in progress	15,671
Depreciable capital assets, net of depreciation	<u>8,750,691</u>
Total noncurrent assets	<u>8,766,362</u>

TOTAL ASSETS \$ 19,869,845

Deferred Outflows of Resources:

Deferred outflows of resources related to pensions	<u>4,403,076</u>
--	------------------

LIABILITIES

Current Liabilities:

Accounts and other accrued payables	\$ 298,379
Compensated absences payable	83,110
Deferred income – grants	<u>36,507</u>
Total current liabilities	<u>417,996</u>

Non-current Liabilities:

Compensated absences payable	1,227,734
Other post employment benefit obligation	4,224,930
Net pension liability	<u>3,871,981</u>
Total non-current liabilities	<u>9,324,645</u>

TOTAL LIABILITIES \$ 9,742,641

Deferred Inflows of Resources:

Deferred inflows of resources related to pensions	<u>1,081,641</u>
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NET POSITION

Net investment in capital assets	8,766,362
Unrestricted	<u>4,682,277</u>

Total net position \$ 13,448,639

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Statement of Activities
Year Ended December 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Intergovernmental</u>	
Governmental activities:				
Judicial	\$ (20,958,224)	\$ 3,403,495	\$ 17,922,037	\$ 367,308
General revenues:				
Non-employer contribution				562,251
Interest earnings				97,423
Other income				<u>3,939</u>
Total general revenues				<u>663,613</u>
Changes in net position				<u>1,030,921</u>
Net position at beginning of year				<u>12,417,718</u>
Net position at end of year				<u>\$ 13,448,639</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Balance Sheet - Governmental Funds
December 31, 2017

ASSETS

	<u>General Fund</u>
Cash and cash equivalents	\$ 10,139,748
Receivables:	
Due from agency fund	543,286
Grants receivable	195,606
Commissions on fines and bond forfeitures	152,902
Court costs	52,398
Prepaid insurance	<u>19,543</u>
 Total assets	 <u>\$ 11,103,483</u>

LIABILITIES AND FUND BALANCE

Current Liabilities:	
Accounts and other accrued payables	\$ 298,379
Deferred income - grants	<u>36,507</u>
 Total liabilities	 <u>334,886</u>
 Fund balances:	
Nonspendable	19,543
Unassigned	<u>10,749,054</u>
 Total fund balances	 <u>10,768,597</u>
 Total liabilities and fund balances	 <u>\$ 11,103,483</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2017

Total fund balances - governmental fund (fund financial statement)	\$ 10,768,597
Amounts reported for <i>governmental activities</i> in the statement of net position (government - wide financial statements) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund. The cost of the assets is \$15,512,530, and the accumulated depreciation is \$6,746,168	8,766,362
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Compensated absences payable	(1,310,844)
Other post-employment benefit obligation	(4,224,930)
Net pension liability	(3,871,981)
The deferred outflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the governmental fund.	4,403,076
The deferred inflows of resources related to pensions are applicable to future reporting periods and, therefore are not reported in the governmental fund.	<u>(1,081,641)</u>
Total net position - governmental activities (government - wide financial statements)	<u>\$ 13,448,639</u>

The accompanying notes are the integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2017

	<u>General Fund</u>
Revenues:	
Intergovernmental and grants	\$ 17,922,037
Charges for services	3,403,495
Interest earnings and other income	<u>101,362</u>
Total revenues	<u>21,426,894</u>
Expenditures:	
Personnel and related benefits	15,775,912
Operating services	2,312,159
Professional fees	255,944
Capital outlays	87,591
Intergovernmental	<u>731,454</u>
Total expenditures	<u>19,163,060</u>
Excess of revenues over expenditures	2,263,834
Fund balance - beginning of year	<u>8,504,763</u>
Fund balance - end of year	\$ <u>10,768,597</u>

The accompanying notes are the integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Reconciliation of the Statement of Revenue, Expenditures,
and Changes in Fund Balance of Governmental Fund
to the Statement of Activities
Year Ended December 31, 2017

Net change in fund balance - governmental fund (fund financial statements)	\$ 2,263,834
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Amounts reported for *governmental activities* in the statement of activities (government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

Capital outlays	87,591	
Depreciation expense	<u>(470,973)</u>	(383,382)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net increase in post-employment benefits obligation	(266,423)
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Net increase in compensated absences	(28,308)
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Non-employer contributions are reported as revenues in the governmental funds when made. The employer's proportionate share of non-employer contributions to the pension plans are reported in the statement of activities.	562,251
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Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.	<u>(1,117,051)</u>
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Change in net position of governmental activities (government-wide financial statements)	\$ <u>1,030,921</u>
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The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Statement of Assets and Liabilities
Asset Forfeiture Agency Fund
December 31, 2017

	<u>ASSETS</u>	Asset Forfeiture Agency Fund
Cash and cash equivalents		\$ <u>1,133,075</u>
Total assets		\$ <u>1,133,075</u>
	<u>LIABILITIES</u>	
Due to General Fund		\$ 543,286
Forfeiture deposits held for future disposition		<u>589,789</u>
Total liabilities		\$ <u>1,133,075</u>

The accompanying notes are the integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Statement of Changes in Assets and Liabilities
Asset Forfeiture Agency Fund
Year Ended December 31, 2017

Balance, beginning of year	\$ 1,169,695
Additions:	
Seizures	931,464
Interest earnings on investments	<u>11,179</u>
Total additions	\$ <u>2,112,338</u>
Reductions:	
Returned to defendants	82,841
Distributions to:	
District Attorney	167,085
Other agencies	<u>729,337</u>
Total reductions	\$ <u>979,263</u>
Balance, end of year	\$ <u>1,133,075</u>

The accompanying notes are the integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements
Year Ended December 31, 2017

Introduction

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Twenty-Fourth Judicial District (the District Attorney) has charge of every criminal prosecution by the State in the district, is the representative of the State before the grand jury in the district, and is the legal advisor to the grand jury. The District Attorney performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Fourth Judicial District encompasses the entire Parish of Jefferson.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, the District Attorney includes all funds and activities that are controlled by the District Attorney as an independently elected parish official. There are no component units included or required to be included as part of the financial reporting entity. The District Attorney is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the District Attorney's office that are paid or provided by the Parish Council as required by Louisiana law, the District Attorney is financially independent. Accordingly, the District Attorney is a separate governmental reporting entity. Certain units of the local government, over which the District Attorney exercises no oversight responsibility, such as the Parish Council, Parish School Board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Attorney.

B. Basis of Presentation

The accompanying basic financial statements of the District Attorney have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. 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 No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

B. Basis of Presentation - continued

Government-Wide Financial Statements (GWFS)

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 fund). All of the District Attorney's judicial and administrative services are classified as governmental activities.

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

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

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

Fund Financial Statements (FFS)

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(2) Summary of Significant Accounting Policies - continued

B. Basis of Presentation - continued

Governmental

The General Fund of the District Attorney is used to account for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended in accordance with state and federal laws and according to District Attorney policy.

Fiduciary

The only fund accounted for in this category by the District Attorney is the Asset Forfeiture Agency Fund which is used to account for assets seized in narcotics cases in which the District Attorney has received the seized assets, pending the final disposition of the case. The assets may ultimately be returned to the defendant from whom they were seized, transferred to another agency, or divided among the District Attorney, the Parish of Jefferson as custodian of judicial funds, and the seizing agency. In the latter instance, the District Attorney is responsible for allocating the assets to the respective agencies net of the expenses incurred in handling the assets. Agency funds use the full accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the statement of activities present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

C. Measurement Focus/Basis of Accounting -continued

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using 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. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and fees, charges and commissions for services are recorded when the District Attorney is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District Attorney's primary expenditures include salaries and related benefits, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. Budget

The District Attorney adopts a formal budget for the General Fund on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. Formal budget integration within the accounting records is not employed as part of the accounting system. The District Attorney prepares and reviews a comparison of budget to actual figures for revenues and expenditures on a monthly basis.

The District Attorney adopted his original 2017 budget on December 28, 2016. The budget amounts presented as a comparison to actual are as amended on January 30, 2018. Appropriations for the General Fund lapse at year end, and the District Attorney does not utilize encumbrance accounting.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

E. Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits, interest-bearing demand deposits, and money-market-like investment pools. Under state law, the District Attorney may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in state banks, organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are limited by Louisiana Revised Statute (R.S.) 33:295 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

F. Interfund Receivables/Payables

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

G. Capital Assets

In the government-wide financial statements capital assets purchased or acquired are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Contributed assets are recorded at fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight-line depreciation is used based on the following estimated useful lives:

- Building 40 years
- Vehicles 5 years
- Furniture and fixtures 7-10 years
- Computer equipment 5 years

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

H. Compensated Absences – Policy Summary

The following is a summary of the District Attorney's policy for annual leave, medical leave, and compensatory time.

There are two categories of full-time employees of the District Attorney, nonexempt and exempt. Nonexempt employees are those regular employees who earn overtime for all hours worked in excess of 40 hours per week. Generally, most support employees and investigators are nonexempt. All assistant district attorneys and certain other employees with managerial responsibility are exempt employees and do not earn overtime pay. Assistant District Attorneys earn medical leave only.

Non-exempt employees of the District Attorney earn annual leave at the rate of 13 to 19.5 days per year depending on the length of service. Medical leave is earned at a rate of 13 days per year. Earned but unused annual leave credits will be accumulated for each nonexempt employee and may be carried into the next calendar year, but the maximum amount of accumulated leave which may be carried forward will be 40 days, for employees hired after April 26, 1986, and 90 days for employees hired prior to April 26, 1986. There is no limitation on the amount of medical leave that may be accumulated and carried forward from one year to the next.

Exempt employees do not earn annual leave. Medical leave is earned at a rate of 15 days per year. There is no limitation on the amount of medical leave that may be accumulated and carried over from one year to the next.

All non-exempt employees hired before April 26, 1986 will be paid for all unused annual leave and one-half of all unused medical leave remaining at the time of separation. Non-Exempt employees hired on or after April 26, 1986 and having an initial accumulation of six days of annual leave and having attained permanent status will be paid a maximum of 20 days of unused annual leave and all unused medical leave up to but not more than 40 days. Accrued medical leave will be paid to an employee only after seven years of service.

Exempt employees will be paid for all unused medical leave up to but not more than 40 days. Accrued medical leave will be paid only after seven years of service.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

H. Compensated Absences – Policy Summary - continued

Compensatory time is earned by investigators. However, in certain instances, other employees may earn compensatory time with permission of the District Attorney. Overtime is defined as those hours worked in excess of a normal, 35-hour work week and compensated for as follows:

- 1) Overtime hours worked in excess of 35, but less than 40 hours will be returned in the form of compensatory time at a straight-time, or one-for-one rate.
- 2) Overtime hours worked in excess of 40 hours will be returned in the form of compensatory time at a rate of time and one-half.

Overtime earned may be carried-over on the books in the form of compensatory time, not to exceed 480 hours. At time of separation, compensatory time will be paid to employee.

I. Other Post-Employment Benefits

Plan Description. The District Attorney provides health care and life insurance benefits for its eligible retired employees as a benefit. Health coverage includes a fully insured group health maintenance organization plan (HMO) together with Medicare 65 plans for those eligible. Life insurance is continued after retirement but with a reduced amount of coverage.

Medical benefits are provided to employees upon retirement according to the retirement eligibility provisions as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service. The plan is a fully insured, single-employer defined benefit plan.

Contribution rate. Employees do not contribute to their post-employment benefit costs until they retire and begin receiving those benefits. Retirees contribute between 20% and 90% of the cost for their health benefits, depending on the type of coverage. The District Attorney contributes the remaining portion of the cost of the health care premiums, depending on the type of coverage. 100% of the life insurance premiums are employer paid. Life insurance coverage is provided in the amount of \$10,000 for retirees under age 70 and \$5,000 for retirees age 70 and older.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

I. Other Post-Employment Benefits - continued

Funding. The District Attorney previously recognized the cost of providing post-employment medical and life insurance benefits as an expense when the benefit premiums were due, and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2009, the District Attorney implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions (GASB 45)*.

Annual Required Contribution (ARC). The District Attorney's Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period allowed by GASB 45 has been used for the medical and life insurance benefits. The total ARC for the fiscal year beginning January 1, 2017 is as set forth below:

Normal Cost	\$ 220,192
30-year AAL amortization amount	760,430
Interest	<u>34,322</u>
Annual required contribution (ARC)	<u>\$ 1,014,944</u>

Net Post-Employment Benefit Obligation. The table below shows the District Attorney's Net Other Post-employment Benefit (OPEB) Obligation for fiscal year ending December 31, 2017:

Annual Required Contribution	\$ 1,014,944
Less: ARC Adjustment	(218,913)
Interest on Net OPEB Obligation	<u>140,919</u>
Annual Post-Employment Benefit Cost	<u>936,950</u>

Contributions:

Current year retiree premiums	<u>(670,527)</u>
Increase in Benefit Obligations	266,423
Beginning net OPEB obligation	<u>3,958,507</u>
Ending net OPEB obligation	<u>\$ 4,224,930</u>

The following table shows the District Attorney's annual OPEB cost, percentage of the cost contributed, and the net OPEB obligation:

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

I. Other Post-Employment Benefits - continued

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
2015	\$1,358,507	42.55%	\$3,620,455
2016	\$993,847	65.99%	\$3,958,507
2017	\$936,950	71.56%	\$4,224,930

Funded Status and Funding Progress. As of December 31, 2017, the District Attorney made an annual contribution to its post-employment benefits plan based on actuarial calculations with the assumption of a 4% annual investment return. However, after year end, the annual required contribution was recalculated at a lower rate of investment return due to the economic conditions resulting in a higher annual required contribution. As of January 1, 2017, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$13,813,410 (medical) and \$661,960 (life), which is defined as that portion, as determined by a particular actuarial cost method (the District Attorney uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	Medical	Life
Actuarial Accrued Liability (AAL)	\$13,813,410	661,960
Actuarial Value of Plan Assets	0	0
Unfunded Actuarial Accrued Liability (UAAL)	<u>13,813,410</u>	<u>661,960</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Total Payroll	\$12,347,207	\$12,347,207
UAAL as a percentage of covered payroll	111.9%	5.36%

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio Percentage	Covered Payroll	UAAL as % of Covered Payroll
12/31/2015	01/01/2015	13,901,819	13,901,819	0%	10,004,045	139.0%
12/31/2016	01/01/2015	14,186,196	14,186,196	0%	10,304,166	137.7%
12/31/2017	01/01/2017	14,475,370	14,475,370	0%	12,347,207	117.2%

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

I. Other Post-Employment Benefits - continued

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits include estimates and assumptions regarding: (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing costs between the District Attorney and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the District Attorney and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Turnover Rate. The following age related turnover scale, was used:

<u>Age</u>	<u>Percent Turnover</u>
18-25	35.0 %
26-40	25.0 %
41-54	20.0 %
55+	10.0 %

Post-Employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence three years after earliest eligibility for retirement. Eligibility for retirement has been assumed to be the earliest of: (1) 30 years of service at any age, (2) age 55 and 25 years of service, (3) age 60 and 10 years of service, or (4) age 65 and 7 years of service. Entitlement to benefits continue through Medicare to death.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

I. Other Post-Employment Benefits - continued

Investment Return Assumption (Discount Rate). GASB Statement No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Based on the assumption that the ARC will be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

Future Cost Increase (Trend) Rate. The expected rate of increase in medical cost is based on 10% graded uniformly to 5% over 10 years. Retiree life insurance premiums are paid 100% by the District Attorney. The rate for retirees is \$1.84 per \$1,000 of insurance in force per month. The same actuarial assumptions as those used for medical benefits were used to value life insurance post-employment except that a zero trend factor assumption was used.

Mortality Rate. The RP-2000 Combined Mortality Table (RP-2000) uses the Protection Scale AA. This mortality table is required and approved by the Internal Revenue Code Sec 430, defining minimum required contribution for a defined benefit plan.

Method of Determining Value of Benefits. The portion of the total retiree medical premium which would be paid by the District Attorney is determined according to a "vesting" schedule based on the number of years of service at retirement date. There are different schedules for retiree coverage and for dependent coverage. The portion of the premium after retirement date (based on these "vesting" schedules) expected to be paid by the District Attorney for each retiree has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. It has been assumed that enrollees will retain the same coverage types after retirement date as they had during employment.

J. Estimates

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

K. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, defines the different categories of fund balances that a governmental entity must use for financial reporting purposes. The following classifications describe the relative strength of the spending constraints:

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

The District Attorney applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The District Attorney does not have a formal minimum fund balance policy.

L. Net Position

Net position represents the various net earnings from revenues and expenses. Net position is classified in the following components:

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

L. Net Position – continued

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The District Attorney has one item that qualifies for reporting in this category, which is deferred amounts related to pensions.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District Attorney has one item that qualifies for reporting in this category, which is deferred amounts related to pensions.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(1) Summary of Significant Accounting Policies - continued

N. Pension Plans

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 the Parochial Employees' Retirement System (The State Plan) and The Louisiana District Attorneys' Retirement System (LDARS) and changes in The State Plan's and LDARS' fiduciary net position have been determined on the same basis as they are reported by each retirement system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(2) Cash and cash equivalents

At December 31, 2017, the District Attorney had cash and cash equivalents totaling \$10,139,748 (book balances) in the General Fund and \$1,133,075 (book balances) in the Agency Fund invested in demand deposit accounts at various local banks and at L.A.M.P. (Louisiana Asset Management Pool.) 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. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that, in the event of a bank failure, the District Attorney's deposits might not be recovered. The District Attorney's deposit policy for custodial credit risk conforms to state law as described in Note 1 to the financial statements.

At December 31, 2017, the District Attorney had \$11,329,980 in demand deposits (collected bank balances). These deposits are entirely secured from risk by federal deposit insurance, and pledged securities held by the custodial bank in the name of the fiscal agent.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(2) Cash and cash equivalents - continued

In accordance with GASB Codification Section 150.126, the cash equivalents in LAMP are not categorized in a risk category because the account is in a pool of funds managed by another government. Only political subdivisions having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The fair value of investments as based on quoted market rates is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the pool shares. Since all investments are short-term, highly liquid securities, the pool sponsor has not obtained any legally binding guarantees during the period to support the value of shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. For purposes of determining participants' shares, investments are valued at amortized cost.

(3) Receivables

Accrued receivables consist of charges for services performed through the end of the current period, but not collected until the subsequent period.

Other receivables represent the amount due from the Asset Forfeiture Agency Fund.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(4) Capital Assets

Capital assets and depreciation activity for the governmental activities as of and for the year ended December 31, 2017 as follows:

	<u>Balance, January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2017</u>
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Construction in progress	\$ -0-	\$ 15,671	\$ -0-	\$ 15,671
Capital assets being depreciated:				
Building and improvements	12,798,603	-0-	-0-	12,798,603
Vehicles	308,944	46,544	108,583	246,905
Furniture, fixtures, and equipment	<u>2,425,975</u>	<u>25,376</u>	<u>-0-</u>	<u>2,451,351</u>
Total	<u>15,533,522</u>	<u>87,591</u>	<u>108,583</u>	<u>15,512,530</u>
Less accumulated depreciation:				
Building	4,144,454	320,282	-0-	4,464,736
Vehicles	247,475	19,573	108,583	158,465
Furniture, fixtures, and equipment	<u>1,991,849</u>	<u>131,118</u>	<u>-0-</u>	<u>2,122,967</u>
Total	<u>6,383,778</u>	<u>470,973</u>	<u>108,583</u>	<u>6,746,168</u>
Capital assets, net	\$ <u>9,149,744</u>	\$ <u>(383,382)</u>	\$ <u>-0-</u>	\$ <u>8,766,362</u>

The building is located on land which is leased from Jefferson Parish for a term of 99 years. No rent is payable with regard to this lease.

(5) Accounts and Other Accrued Payables

The payables of \$298,379 at December 31, 2017, were as follows:

Payable for:	
Diversion program expenses	\$ 30,543
Bond forfeitures	14,150
Office expenses	4,235
Professional fees	7,323
Auto	130
Due to Jefferson Parish	<u>241,998</u>
Total	<u>\$ 298,379</u>

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(6) Long-term liabilities

Name	Balance 12/31/16	Additions	Deletions	Balance 12/31/17	Due Within One Year
Other Post Employment Benefit Obligation	3,958,507	936,950	(670,527)	4,224,930	-
Net Pension Liability	4,123,501	2,809,334	(3,060,854)	3,871,981	-
Compensated Absences	<u>1,282,536</u>	<u>61,289</u>	<u>(32,981)</u>	<u>1,310,844</u>	<u>83,110</u>
Total Bonds	<u>9,364,544</u>	<u>3,807,573</u>	<u>(3,764,362)</u>	<u>9,407,755</u>	<u>83,110</u>

(7) Pension Plans

The District Attorney is a participating employer in two separate defined benefit pension plans each administered by separate public employee retirement systems:

A. The Parochial Employees' Retirement System of Louisiana (The State Plan)

Plan Description - The Parochial Employees' Retirement System Board of Trustees (The Board), an Administrative Director, an Actuary, and Legal Counsel administer the Parochial Employees' Retirement System (the State Plan), a cost-sharing multiple-employer defined benefit plan established by the Louisiana legislature as of January 1, 1953, by Act 205 of 1952. The State Plan was revised by Act No. 765 of 1979, effective January 1, 1980, to create the Plan A and Plan B fund to replace the "regular plan" and the "supplemental plan". Plan B Fund replaces the "regular plan" (the District Attorney does not have any participants in this plan). The State Plan is operating pursuant to LSA-R.S. 11:1901 through 11:2015. The State Plan covers employees who were hired subsequent to December 15, 1979.

Benefits Provided – The State Plan provides retirement, deferred retirement option (DROP), disability, and survivor's benefits to all qualified employees of any taxing districts of a parish or any branch or section of a parish within the State of Louisiana which does not have their own retirement system and which elects to become members of The State Plan. The following is a brief description of the plan and its benefits. Participants should refer to the appropriate statutes for more complete information.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

A. The Parochial Employees' Retirement System of Louisiana (The State Plan) - continued

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

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

Survivor Benefits – Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan – Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the retirement system. DROP is an option for that member who is eligible for normal retirement.

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

A. The Parochial Employees' Retirement System of Louisiana (The State Plan) - continued

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an individual retirement account.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of The State Plan, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or The State Plan, and that any returns and other rights of the DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

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

Contributions – Member contributions, established by Louisiana Revised Statute (La. R.S. 11:1901) at 9.5% of compensation for Plan A are deducted from the member's salary and remitted by the participating employers. Employer contributions are actuarially determined every fiscal year according to statutory process. Written notice of these rates is provided to employers annually. For the year ended December 31, 2017 the employer contribution rate was 12.5%.

B. The Louisiana District Attorneys' Retirement System (DARS)

Plan Description - The district attorney and assistant district attorneys are members of the Louisiana District Attorneys' Retirement System (DARS). The Louisiana District Attorneys' Retirement System is a cost-sharing multiple employer defined benefit state-wide retirement system which is administered and controlled by a board of trustees. DARS was established on the first day of August, Nineteen hundred and fifty-six and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

B. The Louisiana District Attorneys' Retirement System (DARS) - continued

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by the Retirement System and the Louisiana District Attorneys Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board of assistant district attorneys.

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

Members who joined DARS after July 1, 1990, or who elected to be covered by the new provisions are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability Benefits – Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

B. The Louisiana District Attorneys' Retirement System (DARS) - continued

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

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

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

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

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

B. The Louisiana District Attorneys' Retirement System (DARS) - continued

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

Contributions - The District Attorney does not directly contribute to the plan or guarantee any of the benefits granted by the plan. Contributions are made directly by Jefferson Parish. The Fund is financed by employee contributions established by state statute at 8% of salary for active members. The employer contribution rate was 0.0% for the twelve months ended December 31, 2017.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the District Attorneys' Retirement System of Louisiana, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802.

All other employees of the District Attorney are members of the Parochial Employees' Retirement System of Louisiana (the State Plan).

C. "On-Behalf" Payments for Retirement Contributions

All costs relating to pension contributions are paid by Jefferson Parish and the State of Louisiana, and are included in the accompanying financial statements as "on-behalf" payments. The total "on-behalf" pension contribution for the District Attorney for the year ended December 31, 2017, is summarized as follows:

<u>Required</u> <u>Annual Pension Cost (APC)</u>	<u>Percentage of</u> <u>APC contributed</u>
\$809,045	100%

D. Net Pension Liability

At December 31, 2017, the District Attorney reported a liability for the Parochial Employees' Retirement System and The Louisiana District Attorneys' Retirement System of \$2,297,332 and \$1,574,649, respectively, for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of December 31, 2016 and June 30, 2017, respectively, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of those dates. The District Attorney's proportion of the net pension liability for each retirement system was based on the District Attorney's historical contributions to the pension plan. At December 31, 2016, the District Attorney's proportion for the State Plan was 1.115475%. At June 30, 2017, the District Attorney's proportion for DARS was 5.838050%.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

E. Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued Parochial Employees’ Retirement System Financial Report and The Louisiana District Attorneys’ Retirement System Financial Report at www.persla.org and www.ladars.org, respectively, or on the Office of Louisiana Legislative Auditor’s website at www.la.state.la.us.

F. Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit pension plans in which the District Attorney is a participating employer:

	Parochial Employees’ Retirement System of Louisiana	Louisiana District Attorneys’ Retirement System
Actuarial valuation date	12/31/16	6/30/17
Period of experience study on which Significant assumptions are based	1/1/10 – 12/31/14	7/1/09 - 6/30/14
Projected Salary Increase	5.25%	5.50%
Inflation Rate	2.5%	2.5%
Source of mortality assumptions	(1)	(2) & (3)

(1) RP-2000 Combined Healthy Mortality Table

(2) RP-2000 Combined Health with White Collar Adjustment Sec Distinct Tables projected to 2032 were selected for employee, annuitant, and beneficiary mortality

(3) RP-2000 Disabled Lives Mortality Table set back 5 years for males 3 years for females

G. Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District Attorney recognized revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the District Attorney recognized revenue as a result of support received from Non-employer contributing entities of \$82,399 for its participation in Parochial Employees’ Retirement System and \$479,852 for its participation in The Louisiana District Attorneys’ Retirement System.

H. Payables to the Pension Plan

As of December 31, 2017, the District Attorney had no outstanding amount of contributions to the pension plans required for the year ended December 31, 2017.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

I. Discount Rate

The discount rate used to measure the total pension liability for The State Plan and DARS was 7.00% and 6.75%, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate for each of the District Attorney's defined benefit pension plans administered by each system and the sensitivity of the net pension liability to changes in the discount rate is shown below:

	<u>Parochial Employees' Retirement System of Louisiana</u>	<u>Louisiana District Attorneys' Retirement System</u>	<u>Total</u>
Discount Rate	7.00%	6.75%	
Sensitivity of the Net Position Liability to Changes in the Discount Rate:			
Net Pension Liability	\$ 2,297,332	\$ 1,574,649	\$ 3,871,981
Net Pension Liability Assuming a 1% decrease in discount rate	\$ 6,872,243	\$ 4,499,758	\$11,372,001
Net Pension Liability (Asset) (Assuming a 1% increase in the discount rate)	\$ (1,570,894)	\$ (910,990)	\$(2,481,884)

J. Target Allocation

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

J. Target Allocation - continued

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

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

The Louisiana District Attorneys' Retirement System – determined the estimated long-term expected rate of return on pension plan investments by using a build-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 long term expected real rate of return was 9.43% as of June 30, 2017. Best estimates of real rates of return for each major asset class included in DARS target asset allocation as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Expected Long-Term Rate of Return</u>
Equities	61.6%	4.79%
Fixed income	29.0%	1.46%
Alternatives	8.9%	.68%
Cash	.5%	0.0%
Totals	100.00%	6.93%
Inflation		2.50%
Expected Long-Term Rate of Return		9.43%

K. Pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2017, the District Attorney recognized \$1,926,096 in pension expense related to all defined benefit plans in which it participates. At December 31, 2017, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(7) Pension Plans – continued

K. Pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$2,414,754	\$ -0-
Differences between expected and actual experience in the measurement of the total pension liability	-0-	815,985
Changes in assumptions	1,142,140	185,830
Changes in proportion	37,137	67,093
Differences between employer contributions and proportionate share of contributions	-0-	12,733
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	<u>809,045</u>	<u>-0-</u>
Total	<u>\$ 4,403,076</u>	<u>\$ 1,081,641</u>

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date in the amount of \$809,045 will be recognized as a reduction of the net pension liability during the year ended December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense (benefit) are as follows:

<u>Year ending December 31</u>	<u>Net Amount Recognized in Pension expense (benefit)</u>
2018	708,806
2019	1,064,502
2020	626,495
2021	(18,079)
2022	59,229
Thereafter	<u>71,437</u>
	<u>\$ 2,512,390</u>

(8) Risk Management

The District Attorney is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omission; injuring to employees; and natural disasters. The District Attorney purchased the following commercial insurance policies for any and all claims relating to the above types of risks:

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(8) Risk Management -continued

<u>Type of Insurance</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
Personal Injury:		
Per claim	\$ 1,000,000	\$ 5,000
Aggregate	2,000,000	
Disciplinary Proceedings	10,000	500
General Liability:		
General total limit	2,000,000	250
Products and completed work total limit	1,000,000	500
Each event limit	1,000,000	5,000

(9) Litigation and Claims

The District Attorney is a named defendant in several lawsuits, which it is vigorously defending. Such matters arise in the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes, based on the advice of legal counsel, that the final outcome of such litigation would not have a material adverse effect on the District Attorney's financial statements.

(10) On-behalf Payments

In accordance with GASB No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the amount of on-behalf salaries paid directly to the District Attorney, the assistant district attorneys, and the office staff, as well as the related benefits, has been recognized by the District Attorney as revenues and expenditures. The amount recognized for the year ended December 31, 2017, was \$13,954,702 summarized as follows:

<u>Paying Entity</u>	<u>Salaries and Fringe Benefits</u>	<u>Operating Costs and Other</u>	<u>Capital Expenditures</u>	<u>Total</u>
Jefferson Parish	\$ 10,304,205	\$1,119,173	\$ 46,544	\$ 11,469,922
State of Louisiana	<u>2,484,780</u>	<u>-0-</u>	<u>-0-</u>	<u>2,484,780</u>
Total	<u>\$ 12,788,985</u>	<u>\$1,119,173</u>	<u>\$ 46,544</u>	<u>\$ 13,954,702</u>

In addition to the above, a number of "office pool" vehicles owned by Jefferson Parish are used by the District Attorney at no cost.

(11) Lease Obligations

The District Attorney leases office space for file storage on a month-to-month renewable lease at the rate of \$1,200 per month.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(12) Fund Balance

As of December 31, 2017, the District Attorney has an unassigned fund balance of \$10,749,054.

(13) Governmental Fund Revenues and Expenditures

For the year ended December 31, 2017, the major sources of governmental fund revenues and expenditures were as follows:

REVENUES

State Government		
Grants	\$ 463,475	
On-behalf payments	<u>2,484,780</u>	
Total		\$ 2,948,255
Local Government		
Statutory fines, forfeitures, fees, court costs, and other	3,403,495	
On-behalf payments	<u>11,469,922</u>	
Total		14,873,417
Federal Government		
Grants – indirect (passed-through)		3,488,674
Total		3,488,674
Investment earnings		97,423
Miscellaneous		
Other income		3,939
Intergovernmental transfer		<u>15,186</u>
Total Revenues		<u>\$ 21,426,894</u>

EXPENDITURES

Personnel Services and Benefits		
On-behalf payments – salaries	\$11,516,416	
On-behalf payments – retirement	631,036	
On-behalf payments – insurance	2,050,869	
Payroll taxes	<u>1,577,591</u>	
Total		\$ 15,775,912
Professional Development		
Dues, licenses, and registrations	38,452	
Travel	11,974	
Hotel cost	30,046	
Meals	<u>8,068</u>	
Total		88,540

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

Notes to Basic Financial Statements – Continued
Year Ended December 31, 2017

(13) Governmental Fund Revenues and Expenditures - continued

Operating Costs

Intergovernmental transfers out	379,670	
Library and research	319,262	
Contract services – attorney/legal	532,258	
Contract services – other	896,222	
Lease – office	14,400	
Lease – autos and other	47,029	
Travel – transportation	8,720	
Travel – other	10,287	
Insurance	102,870	
Supplies	569,074	
Repairs and maintenance	8,681	
Utilities and telephone	141,609	
Security	116,000	
Software and website	54,026	
Other operating and administrative	10,909	
Total	3,211,017	3,211,017

Capital outlay		87,591
Total expenditures		\$ 19,163,060

(14) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 21, 2018 which is the date the financial statements are available to be issued. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
JEFFERSON PARISH, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenues:				
On behalf payments for salaries, fringe benefits and office expenses made by Jefferson Parish and State of Louisiana	\$ 14,937,445	\$ 13,788,666	\$ 13,954,702	\$ 166,036
Federal and state grants	3,022,065	3,188,820	3,952,149	763,329
Charges for services:				
Court costs	891,121	807,231	801,293	(5,938)
Fines and forfeitures	589,543	721,621	674,759	(46,862)
Bond fees	371,679	338,910	330,091	(8,819)
Worthless check fees	64,244	73,007	67,451	(5,556)
Commissions on asset forfeitures	250,000	191,084	167,085	(23,999)
Diversion fees	1,250,000	1,322,608	1,347,766	25,158
Expungement fees	15,600	16,440	15,050	(1,390)
Interest earnings	39,605	90,390	97,423	7,033
Miscellaneous income	5,891	4,923	3,939	(984)
Intergovernmental transfers	<u>464,020</u>	<u>1,011,390</u>	<u>15,186</u>	<u>(996,204)</u>
 Total revenues	 <u>21,901,213</u>	 <u>21,555,090</u>	 <u>21,426,894</u>	 <u>(128,196)</u>
Expenditures:				
Current:				
Personnel and related benefits	16,344,117	15,865,078	15,775,912	(89,166)
Operating services	2,187,871	2,329,150	2,663,914	334,764
Professional fees	292,331	250,000	255,944	5,944
Capital Outlays	500,000	25,000	87,591	62,591
Intergovernmental expenditures	<u>783,733</u>	<u>532,197</u>	<u>379,699</u>	<u>(152,498)</u>
 Total expenditures	 <u>20,108,052</u>	 <u>19,001,425</u>	 <u>19,163,060</u>	 <u>161,635</u>
 Excess (deficiency) of revenues over expenditures	 1,793,161	 2,553,665	 2,263,834	 (289,831)
 Fund balance at beginning of year	 <u>8,857,995</u>	 <u>8,504,763</u>	 <u>8,504,763</u>	 <u>-0-</u>
 Fund balance at end of year	 <u>\$ 10,651,156</u>	 <u>\$ 11,058,428</u>	 <u>\$ 10,768,597</u>	 <u>\$ (289,831)</u>

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
JEFFERSON PARISH, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFIT PLANS
FOR THE SEVEN YEARS ENDED DECEMBER 31, 2017

Schedule of Funding Progress

	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Percentage (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll <u>[(b-a)/c]</u>
Medical	12/31/2017	01/01/2017	-	\$ 13,813,410	\$ 13,813,410	0%	12,347,207	111.87%
Life	12/31/2017	01/01/2017	-	\$ 661,960	\$ 661,960	0%	12,347,207	5.36%
Medical	12/31/2016	01/01/2015	-	\$ 13,653,066	\$ 13,653,066	0%	10,304,166	132.5%
Life	12/31/2016	01/01/2015	-	\$ 533,130	\$ 533,130	0%	10,304,166	5.17%
Medical	12/31/2015	01/01/2015	-	\$ 13,376,280	\$ 13,376,280	0%	10,004,045	133.71%
Life	12/31/2015	01/01/2015	-	\$ 525,539	\$ 525,539	0%	10,004,045	5.25%
Medical	12/31/2014	01/01/2013	-	\$ 10,825,654	\$ 10,825,654	0%	9,775,300	110.74%
Life	12/31/2014	01/01/2013	-	\$ 370,885	\$ 370,885	0%	9,775,300	3.79%
Medical	12/31/2013	01/01/2013	-	\$ 10,578,822	\$ 10,578,822	0%	9,490,582	111.47%
Life	12/31/2013	01/01/2013	-	\$ 361,653	\$ 361,653	0%	9,490,582	3.81%
Medical	12/31/2012	01/01/2011	-	\$ 9,813,524	\$ 9,813,524	0%	9,452,086	103.82%
Life	12/31/2012	01/01/2011	-	\$ 374,671	\$ 374,671	0%	9,452,086	3.96%
Medical	12/31/2011	01/01/2011	-	\$ 9,528,145	\$ 9,528,145	0%	9,019,086	105.64%
Life	12/31/2011	01/01/2011	-	\$ 365,561	\$ 365,561	0%	9,019,086	4.05%

Schedule of Employer Contributions

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contribution	Net OPEB Obligation
12/31/2017	\$ 936,950	71.56%	\$ 4,224,930
12/31/2016	\$ 993,847	65.99%	\$ 3,958,507
12/31/2015	\$ 1,358,507	42.55%	\$ 3,620,455
12/31/2014	\$ 866,476	57.82%	\$ 2,840,028
12/31/2013	\$ 821,159	54.87%	\$ 2,474,537
12/31/2012	\$ 733,957	60.39%	\$ 2,103,907
12/31/2011	\$ 558,175	71.73%	\$ 1,813,220

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
 JEFFERSON PARISH, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY
 FOR THE FOUR YEARS ENDED DECEMBER 31, 2017

<u>Fiscal Year</u>	<u>Employer Proportion of the Net Pension Liability</u>	<u>Employer Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share Of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position As a Percentage Of the Total Pension Liability</u>
<u>Parochial Employees' Retirement System</u>					
2017	1.115475%	\$ 2,297,332	\$ 6,544,762	35.10%	94.15%
2016	1.110908%	\$ 2,924,239	\$ 6,372,879	45.89%	92.23%
2015	1.138055%	\$ 311,154	\$ 6,489,278	4.79%	99.15%
2014	1.107330%	\$ 78,691	\$ 6,090,645	1.29%	99.77%
<u>Louisiana District Attorneys' Retirement System</u>					
2017	5.838050%	\$ 1,574,649	\$ 3,833,917	41.07%	93.57%
2016	6.265501%	\$ 1,199,262	\$ 3,791,501	31.63%	95.09%
2015	6.076551%	\$ 327,316	\$ 3,562,902	9.19%	98.56%
2014	6.239365%	\$ 124,431	\$ 3,596,572	3.46%	99.45%

DARS has a measurement date of June 30, 2017; however, PERS has a measurement date of December 31, 2016.

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

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
 JEFFERSON PARISH, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION CONTRIBUTIONS
 FOR THE FOUR YEARS ENDED DECEMBER 31, 2017

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
<u>Parochial Employees' Retirement System</u>					
2017	\$ 810,005	\$ 809,045	960	\$6,480,032	12.49%
2016	\$ 850,820	\$ 850,820	-	\$ 6,544,762	13.00%
2015	\$ 924,067	\$ 924,067	-	\$ 6,372,879	14.50%
2014	\$ 1,038,284	\$ 1,025,130	13,154	\$ 6,489,278	15.80%
<u>Louisiana District Attorneys' Retirement System</u>					
2017	-0-	-0-	-0-	\$ 3,833,917	0.00%
2016	\$ 132,703	\$ 132,703	-	\$ 3,791,501	3.50%
2015	\$ 249,403	\$ 249,699	(296)	\$ 3,562,902	7.01%
2014	\$ 350,666	\$ 351,302	(636)	\$ 3,596,572	9.77%

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

DISTRICT ATTORNEY OF THE
 TWENTY-FOURTH JUDICIAL DISTRICT
 Jefferson Parish, Louisiana
 Year Ended December 31, 2017
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Schedule of the District Attorney's Proportionate Share of the Net Pension Liability in Parochial Employees' Retirement System and District Attorneys' Retirement System:

This schedule reflects the participation of JPDA employees in Parochial Employees' Retirement System and the District Attorneys' Retirement System and its proportionate share of the net pension liability, the proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability. The employers' net pension liability is the liability of JPDA to members for benefits provided through Parochial Employees' Retirement System and the District Attorneys' Retirement System. Covered employee payroll is the payroll on which contributions to the plan are based and is \$6,480,032 and \$3,833,917 for participants of Parochial Employees' Retirement System and District Attorneys' Retirement System, respectively.

2. Schedule of the District Attorney's Contributions to Parochial Employees' Retirement System and District Attorneys' Retirement System:

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered payroll, is presented in this schedule.

3. Changes in benefit terms:

There were no changes in benefit terms for the Parochial Employees' Retirement System.

There were no changes in benefit terms for the District Attorneys' Retirement System.

4. Changes in assumptions:

For the actuary valuation dated December 31, 2016 there were no changes in assumptions for the Parochial Employees' Retirement System.

Amounts reported in the actuary valuation dated December 31, 2015 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate used to measure the System was reduced by 0.25% to 7.00% as of the valuation date December 31, 2015. Other changes are as follows:

Valuation Date	December 31, 2015	December 31, 2014
Inflation Rate	2.50%	3.00%
Project Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)	5.75% (3.00% Inflation, 2.75% Merit)

Amounts reported in the actuary valuation dated June 30, 2017 for the District Attorneys' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was reduced by 0.25% to 6.75% as of the valuation date December 31, 2015.

For the actuary valuation date June 30, 2016 for the District Attorneys' Retirement System did not reflect a change in the expected remaining service lives of all employees that are provided with pension through the pension plan.

Valuation Date	June 30, 2016	June 30, 2015
Expected Remaining Service Lives	7 years	6 years

OTHER SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE
TWENTY-FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head Name: Paul D. Connick, Jr.

Purpose	<u>Amount</u>
Salary	\$ 184,815
Benefits – insurance	11,924
Benefits – retirement	1,348
Benefits – other	-0-
Car Allowance/fuel	359
Vehicle provided by government	1,979
Per diem	-0-
Reimbursements	-0-
Travel/conferences	6,366
Registration fees	325
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	-0-
Total	<u>\$ 207,116</u>



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

June 21, 2018

Honorable Paul D. Connick, Jr.
District Attorney of the Twenty-Fourth Judicial District
Jefferson Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Fourth Judicial District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Fourth Judicial District's basic financial statements and have issued our report thereon dated June 21, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

June 21, 2018

Honorable Paul D. Connick, Jr.
District Attorney of the Twenty-Fourth Judicial District
Jefferson Parish, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District Attorney of the Twenty-Fourth Judicial District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General

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of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about District Attorney of the Twenty-Fourth Judicial District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

DISTRICT ATTORNEY OF THE
 TWENTY FOURTH JUDICIAL DISTRICT
 Jefferson Parish, Louisiana
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2017

<u>Federal Grants / Pass-through Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department of Justice</u>			
<u>Passed through the Louisiana Commission on Law Enforcement</u>			
V.O.C.A. (Victims of Crime Act): Victims Assistance Program	16.575	2015-VA-01/02/03/04-3273	63,437
V.O.C.A. (Victims of Crime Act): Victims Assistance Program	16.575	2016-VA-01/02/03/04-3791	68,127
V.O.C.A. (Victims of Crime Act): Domestic Violence Program	16.575	2015-VA-02/01/03-2794	41,616
V.O.C.A. (Victims of Crime Act): Domestic Violence Program	16.575	2016-VA-02/01/03-3809	50,084
V.A.W.A (Violence Against Women Act): Domestic Violence Prosecution	16.588	2016-WF-02-3587	42,886
BYRNE (Omnibus Crime Control and Safe Streets Act) Pretrial Intervention	16.738	2016-DJ-03-3496	46,055
JJDP (Juvenile Justice and Delinquency Prevention) Juvenile Diversion Program	16.540	2016-JF-22-3681	28,299
<u>Department of Education</u>			
<u>Passed through the Jefferson Parish School System</u>			
School Climate Transformation Grant	84.184G	S184G140375	49,837
<u>Department of Health and Human Services</u>			
<u>Passed through the Louisiana Department of Children & Family Services</u>			
Child Support Enforcement (Title IV-D) Program	** 93.563	CFMS723752(2016-19) 1304 LA 4004	<u>3,098,333</u>
Total expenditures of federal awards			<u>\$3,488,674</u>
** Denotes major program			

DISTRICT ATTORNEY OF THE
TWENTY FOURTH JUDICIAL DISTRICT
Jefferson Parish, Louisiana
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the District Attorney of the Twenty-Fourth Judicial District under programs of the federal government for the year ended December 31, 2017. The information presented in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District Attorney of the Twenty-Fourth Judicial District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District Attorney of the Twenty-Fourth Judicial District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable, or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The District Attorney of the Twenty-Fourth Judicial District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

There were no awards passed through to subrecipients.

NOTE 5 - MATCHING FUNDS

In accordance with the terms of the grants, during the year ended December 31, 2017 the Jefferson Parish District Attorney has expended matching funds of \$14,295 in connection with the V.A.W.A. grants, \$55,816 in connection with the V.O.C.A. grants. There were no matching funds required for the Byrne grant, the JJDP grant, the JPPSS, and the Child Support Enforcement Program.

NOTE 6 - MEMO ENTRY

For reconciliation to financial statement – The State grant of \$120,000 for Victim Assistance Coordinator and the State grant of \$343,475 for TASC Program when added to above total equals the amount per the financial statements of \$3,952,149.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The opinion issued on the financial statements of the District Attorney of the Twenty-Fourth Judicial District for the year ended December 31, 2017 was unmodified.
2. Internal control over financial reporting:
Material weaknesses: None noted
Significant deficiencies: None noted
3. Noncompliance material to the financial statements:
None noted

Federal Awards

Internal control over major programs:
Material weaknesses: None noted
Significant deficiencies: None noted

The opinion issued on compliance for major programs of the District Attorney of the Twenty-Fourth Judicial District for the year ended December 31, 2017 was unmodified.

Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance
None noted

The District Attorney of the Twenty-Fourth Judicial District had one major program as follows:

U.S. Department of Health and Human Services- Funds passed through Louisiana Department Of Social Services-Office of Family Support- Child Support Services (Title IV-D) Program CFDA No. 93.563	<u>Expenditures</u> <u>\$ 3,098,333</u>
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes

FINANCIAL STATEMENT FINDINGS

No matters were reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

There were no prior year findings and questioned costs.

DISTRICT ATTORNEY OF THE
TWENTY-FOURTH JUDICIAL DISTRICT

JEFFERSON PARISH, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

FOR THE PERIOD JANUARY 1, 2017
THROUGH DECEMBER 31, 2017



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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

June 21, 2018

Honorable Paul D. Connick, Jr.
Jefferson Parish District Attorney
Gretna, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) We obtained the entity's written policies and procedures and determined whether those written policies and procedures addressed each of the following financial/business functions, as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

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Written Policies and Procedures (Continued)

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) Disbursements, including processing, reviewing, and approving.
- d) Receipts, including receiving, recording, and preparing deposits.
- e) Payroll/Personnel, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Board

- 2) We obtained and reviewed the board/committee minutes for the fiscal period, and:
 - a) Determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

Board (Continued)

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

Results: The above agreed-upon procedures are not applicable as the District Attorney does not have a Board or Finance Committee.

Bank Reconciliations

- 3) We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 4) Using the listing provided by management, we selected one-third of the entity's bank accounts on a rotating basis. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and
- c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Collections

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 6) Using the cash collection listing provided by management, we selected all of the entity's cash collection locations. For each cash location selected:

- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (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.

Collections (Continued)

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined 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 was not responsible for cash collections in the cash collection location selected.
- c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - i. Using entity's collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
 - ii. Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections were completely supported by documentation and report any exceptions.

Results: Upon applying the agreed-upon procedures above, we noted the following:

- The employees who are responsible for receiving cash/checks are not bonded.
- Three of the four collection locations selected for testing had deposits that were not made within one day of collection.

Management's response: It is not the District Attorney's policy to have employees bonded. We believe the policy of not accepting cash or check, only money orders as payment is a sufficient mitigating control to prevent employee theft. The District Attorney is working with an insurance provider to consider having employees who collect money orders to become bonded. Additionally, the District Attorney does not consider making daily deposits to be practical, as there could be very small amounts received on a particular day. Also, there are adequate controls in place to accumulate and deposit money orders efficiently, while maintaining safeguard of assets.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Disbursements – General (excluding credit card purchases or payments)

- 8) We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We also obtained management's representation that the listing or general ledger population was complete.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 9) Using the disbursement population from agreed upon procedure number 8 above, we randomly selected 25 disbursements excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined 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.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- 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.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 12) We inquired of management and observed whether the supply of unused checks was maintained in a locked location, with access restricted to those persons that do not have signatory authority, and noted any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Disbursements – General (excluding credit card purchases or payments) (Continued)

- 13) When signature stamp or signature machine was used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Credit Cards

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 15) Using the listing prepared by management, we randomly selected one-third of the credit cards (the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected 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) Determined whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Determined whether finance charges and/or late fees were assessed on the selected statements.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 16) Using the monthly statements or combined statements selected under agreed upon procedure number 15 above, we obtained supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

- a) For each transaction, we determined that the transaction was supported by:
 - i. An original itemized receipt (i.e., identifies precisely what was purchased).
 - ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization).

Credit Cards (Continued)

- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e. transaction was a large or recurring purchase requiring the solicitation of bids or quotes) and noted any exceptions.
- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

Results: Upon applying the agreed-upon procedure above, we noted the following:

- Original, itemized receipts were not attached to the statements for the fuel cards selected for testing. Additionally, various credit card transactions were not supported by an original itemized receipt.

Management's response: The majority of fuel card charges were supported with original itemized receipts. Specific transactions not supported by an original receipt were infrequent and unique occurrences. Additionally, the District Attorney has mitigating controls in place for fuel cards, requiring a pin and mileage to be input to authorize the use of the card at the fuel pump. The District Attorney requires any charges without an itemized receipt be supported with a summary description of charges, which is completed and verified by the employee. The District Attorney will ensure itemized receipts be obtained to support all credit card and fuel card charges.

Travel and Expense Reimbursement

- 17) We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sorted/filtered for travel reimbursements. We also obtained management's representation that the listing and general ledger was complete.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Travel and Expense Reimbursement (Continued)

- 19) Using the listing from agreed upon procedure number 17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) We compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity did not have written policies, we compared to the GSA rates (#18 above) and determined each reimbursement that exceeded those rates.
 - b) We determined whether each expense was supported by:
 - i. An original itemized receipt that identified precisely what was purchased. (Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) did not require a receipt.)
 - ii. Documentation of the business/ public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
 - d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Contracts

- 20) We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We also obtained management's representation that the listing or general ledger was complete.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Contracts (Continued)

- 21) Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
- a. Determined whether there was a formal/written contract that supported the services arrangement and the amount paid.
 - b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We determined whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:
 - i. If yes, we obtained/ compared supporting contract documentation to legal requirements and determined whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - ii. If no, we obtained supporting contract documentation and determined whether the entity solicited quotes as a best practice.
 - c) Determined whether the contract was amended. If so, we determined the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and determined whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) Obtained/reviewed contract documentation and board minutes and determined whether there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Payroll and Personnel

- 22) We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. We randomly selected five employees/ officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Payroll and Personnel (Continued)

- 23) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/ officials and:
- a) Determined whether all selected employees/ officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/ officials.
 - c) Determined whether there was 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.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Ethics

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

Results: Upon applying the agreed-upon procedure above, we noted the following:

- During the fiscal period selected, ethics training was not completed by one employee selected for testing.

Ethics (Continued)

Management Response: The District Attorney has adequate controls in place to ensure employees complete required ethics training by monitoring the status of all employees who have not taken annual ethics training. This particular incident was for only one employee and appears to be infrequent and unique.

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

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Debt Service (excluding nonprofits)

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

Results: The above agreed-upon procedure is not applicable as the District Attorney did not issue any debt during the fiscal period.

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

Results: The above agreed-upon procedure is not applicable as the District Attorney did not have any outstanding debt during the fiscal period.

- 30) For the tax millages relating to debt service, we obtained supporting documentation and determined whether millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, we determined any millages that continued to be received for debt that has been paid off.

Results: The above agreed-upon procedure is not applicable as the District Attorney did not have any tax millages relating to debt service.

Other

- 31) We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and determined whether the entity reported the misappropriation to the Legislative Auditor and the District Attorney of the parish in which the entity is domiciled.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

Other (Continued)

- 32) We observed and determined whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

- 33) When the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, the practitioner reported the nature of each exception.

Results: No findings were noted as a result of applying the agreed-upon procedure above.

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

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

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana