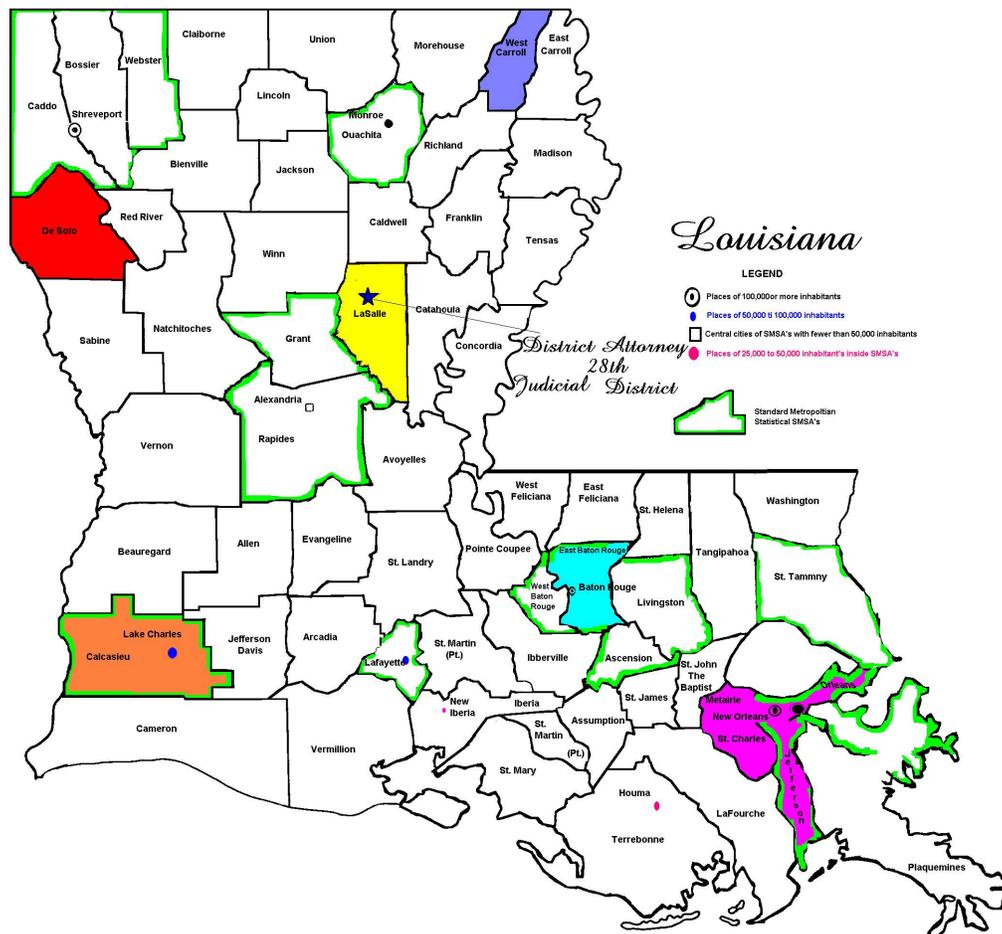


**DISTRICT ATTORNEY
OF THE
TWENTY-EIGHTH JUDICIAL DISTRICT**

**Financial Statements &
Supplemental Financial Information**

December 31, 2018

**DISTRICT ATTORNEY
OF THE
TWENTY-EIGHTH JUDICIAL DISTRICT
PARISH OF LASALLE
STATE OF LOUISIANA**



*** District Attorney of the Twenty-Eighth Judicial District**

The District Attorney has charge of every criminal prosecution by the state in his district and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. His jurisdiction covers the Twenty-Eighth Judicial District of the State of Louisiana.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

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December 31, 2018**

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John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

MEMBERS

American Institute of
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INDEPENDENT AUDITOR'S REPORT

Honorable Reed Walters
District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the District Attorney of the Twenty-Eighth Judicial District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Eighth 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 from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 and the aggregate remaining fund information of the District Attorney of the Twenty-Eighth Judicial District, as of December 31, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in the notes to the employer schedules and statements, the office's proportionate share of total net pension liability for the District Attorney's Retirement System, State of Louisiana, was \$49,854 as of December 31, 2018. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability at December 31, 2018, could be under or overstated.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules 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-Eighth 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 Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2019, on our consideration of the District Attorney of the Twenty-Eighth Judicial District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Twenty-Eighth Judicial District’s internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana

May 10, 2019

**Management Discussion
& Analysis
(MD&A)**

District Attorney of the Twenty-Eighth Judicial District

PO Box 1940

Jena, LA 71342

Telephone: (318) 992-8282

Fax: (318) 992-4731

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the District, we offer readers of the District Attorney of the Twenty-Eighth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$17,893 (*net position*). Of this amount, \$8 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenues of \$714,222 which is a \$43,714 decrease from last year.
- The District had total expenditures of \$738,799 which is a \$16,628 increase from last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

MD&A

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund, and governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Table 1
Balance Sheet
Governmental Activities

The following table represents a condensed Comparative Statement of Net Position as of December 31, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 46,482	\$ 19,447	-58.2
Receivables	7,726	10,229	32.4
Due From Other Funds	-0-	-0-	0.0
Capital Assets, Net of Accumulated Depreciation	<u>23,118</u>	<u>17,885</u>	-22.6
Total Assets	<u>77,326</u>	<u>47,561</u>	-38.5
Deferred Outflow of Resources			
Pension Fund Related	43,846	41,985	-4.3
Liabilities			
Accounts, Salaries, & Other Payables	55,987	58,022	3.6
Due To Other Funds	<u>1,013</u>	<u>371</u>	-63.4
Total Liabilities	<u>57,000</u>	<u>58,393</u>	2.5
Deferred Inflow of Resources			
Pension Fund Related	19,709	13,260	-32.4
Net Position			
Net Investment in Capital Assets	23,118	17,885	-22.6
Unrestricted	<u>21,345</u>	<u>8</u>	-99.9
Total Net Position	<u>\$ 44,463</u>	<u>\$ 17,893</u>	-60.0

MD&A

Table 2
Changes in Fund Balance
Governmental Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Revenues:			
Charges for Services	\$ 99,109	\$ 57,031	-42.5
Intergovernmental	88,535	90,841	2.6
P. T. I. Income	50,548	45,234	-10.5
On Behalf Payments-Police Jury	310,369	331,599	6.8
On Behalf Payments-State	187,683	188,839	0.6
Miscellaneous Income	21,692	678	-96.9
Total Revenues	<u>757,936</u>	<u>714,222</u>	-5.8
Expenditures:			
Worthless Checks	28,757	6,962	-75.8
General & Administrative	213,360	191,914	-10.1
Cost of Court	5,110	3,824	-25.2
Capital Outlay	-0-	-0-	0.0
Debt Service	6,059	6,059	0.0
On Behalf Payments-Police Jury	310,369	331,599	6.8
On Behalf Payments-State	187,683	188,839	0.6
Other Expenses	4,089	9,602	134.8
Total Expenditures	<u>755,427</u>	<u>738,799</u>	-2.2
Increase (Decrease) in Fund Balances	<u>2,509</u>	<u>(24,577)</u>	-1,079.6
Beginning Fund Balances	<u>45,200</u>	<u>47,709</u>	5.6
Ending Fund Balances	<u>\$ 47,709</u>	<u>\$ 23,132</u>	-51.5

CAPITAL ASSETS

Capital Assets

At December 31, 2018, the District had \$17,885 invested in capital assets, including furniture and equipment.

Capital Assets at Year-End

	<u>2017</u>	<u>2018</u>
Furniture & Equipment	\$ 136,664	\$ 136,664
Accumulated Depreciation	(113,546)	(118,779)
Total Capital Assets, Net of Depreciation	<u>\$ 23,118</u>	<u>\$ 17,885</u>

MD&A

CAPITAL LEASE

Capital Lease

Ford Motor Credit Company- Lease purchase for a 2015 Ford Explorer XLT vehicle in the amount of \$21,083, payable in 48 monthly installments of \$505, beginning May 2015 and ending April 2019; interest at 5.95%.

	<u>Lease</u>	<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 7,748	\$ 7,748
Additions	-0-	-0-
Principal Retirement	(5,753)	(5,753)
Total	<u>\$ 1,995</u>	<u>\$ 1,995</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Reed Walters, District Attorney, at the District Attorney of the Twenty-Eighth Judicial District, PO Box 1940, Jena, Louisiana 71342, telephone number (318) 992-8282.

Basic Financial Statements

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Net Position
December 31, 2018**

ASSETS	GOVERNMENTAL ACTIVITIES
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 15,527
Investments	3,920
Accounts Receivable	10,229
Capital Assets, Net of Accumulated Depreciation	17,885
TOTAL ASSETS	47,561
 DEFERRED OUTFLOW OF RESOURCES	
PENSION FUND RELATED	41,985
 LIABILITIES	
Accounts Payable	6,173
Due To Other Funds	371
Lease Payable Current	1,995
Lease Payable Non-Current	-0-
Net Pension Liability	49,854
TOTAL LIABILITIES	58,393
 DEFERRED INFLOW OF RESOURCES	
PENSION FUND RELATED	13,260
 NET POSITION	
Net Investment in Capital Assets	17,885
Unrestricted	8
TOTAL NET POSITION	\$ 17,893

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Activities
Year Ended December 31, 2018**

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS	NET (EXPENSE) REVENUE
Governmental Activities:					
General Government – Judicial	\$ (741,454)	\$ 57,031	\$ -0-	\$ -0-	\$ (684,423)
Interest Expense	(306)	-0-	-0-	-0-	(306)
TOTAL	\$ (741,760)	\$ 57,031	\$ -0-	\$ -0-	\$ (684,729)
					90,841
					45,234
					331,599
					188,839
					678
					657,191
					(27,538)
					968
					44,463
					\$ 17,893

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Balance Sheet – Governmental Funds
December 31, 2018**

		GENERAL FUND
ASSETS		
Cash & Cash Equivalents	\$	15,527
Investments		3,920
Accounts Receivables		10,229
TOTAL ASSETS		29,676
LIABILITIES & FUND BALANCE		
LIABILITIES		
Accounts Payable		6,173
Due To Other Funds		371
TOTAL LIABILITIES		6,544
FUND BALANCES		
Unassigned		23,132
TOTAL FUND BALANCES		23,132
TOTAL LIABILITIES & FUND BALANCE	\$	29,676

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Year Ended December 31, 2018**

Fund balances – total governmental funds \$ 23,132

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

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

Capital Assets	136,664	
Less Accumulated Depreciation	<u>(118,779)</u>	17,885

Deferred inflows and outflows of resources not recognized in the fund balance of Governmental Funds Statement.

Pension Related Inflows	(13,260)	
Pension Related Outflows	<u>41,985</u>	28,725

Long-term liabilities including bonds payable are not due and Payable in the current period and, therefore, are not reported in the Governmental Funds.

Lease Payable	(1,995)	
Net Pension Liability	<u>(49,854)</u>	<u>(51,849)</u>

Net position of governmental activities \$ 17,893

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Year Ended December 31, 2018**

	GENERAL FUND
REVENUES	
Commissions on Fines	\$ 41,959
Worthless Check Collection	15,072
Other Income	678
Intergovernmental Revenue	90,841
P. T. I. Income	45,234
On Behalf Payments-Police Jury	331,599
On Behalf Payments-State	188,839
TOTAL REVENUES	714,222
 EXPENDITURES	
Worthless Checks	6,962
Auto Expenditures	5,184
Travel	5,204
Dues & Subscriptions	1,268
Utilities	567
Office Expenditures	11,935
Contract Labor	9,812
Cost of Court	3,824
Payroll Expenditures	153,864
Other Expenditures	9,602
Revenue Sharing	4,080
Debt Service	6,059
On Behalf Payments-Police Jury	331,599
On Behalf Payments-State	188,839
TOTAL EXPENDITURES	738,799
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (24,577)
 FUND BALANCE – BEGINNING OF YEAR	 47,709
FUND BALANCE – END OF YEAR	\$ 23,132

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances
of Government Funds to the Statement of Activities
Year Ended December 31, 2018**

Net change in fund balances – total governmental funds \$ (24,577)

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

Governmental funds report pension outlays as expenditures. However, in the Statement of Activities, the cost is based on various assumptions made by the pension fund’s actuary. Governmental funds do not recognize employee contributions to the pension fund as revenue.

Pension Revenue	13,540	
Difference in pension expenditures and pension expense	(17,021)	(3,481)

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

Deletion of Assets	-0-	
Capital Outlay	-0-	
Depreciation Expense	(5,233)	(5,233)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to Government Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	-0-	
Principle Paid	5,753	5,753

Change in net position of governmental activities \$ (27,538)

See accompanying notes and independent auditor’s report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Fiduciary Net Position
December 31, 2018**

		<u>AGENCY FUNDS</u>
ASSETS		
Cash	\$	2,949
Due from Other Fund		371
TOTAL ASSETS		<u><u>3,320</u></u>
 LIABILITIES		
Due to Other Funds		-0-
Payroll Related Liabilities		3,320
TOTAL LIABILITIES	\$	<u><u>3,320</u></u>

See accompanying notes and independent auditor's report.

**Notes to the Basic
Financial Statements**

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the Grand Jury in his district, and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs ten people.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Attorney of the 28th Judicial District, a component unit of the LaSalle Parish Police Jury, 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 34, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments*, issued June 1999.

B. REPORTING ENTITY

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the LaSalle Parish Police Jury. The police jury and councils maintain and operate the parish courthouse in which the District Attorney's office is located and provides funds for payroll and other expenses of the District Attorney's office. In addition, the councils and police jury's financial statements would be incomplete or misleading without inclusion of the District Attorney. For these reasons, the District Attorney was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entities of LaSalle Parish.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general governmental services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Governmental Funds:

General Fund

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

The pre-trial intervention program is a diversion program which is offered to selected offenders as an alternative to prosecution. Individuals who volunteer to participate in the program are assessed a fee and receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. Fees received may be used for any purpose at the sole discretion of the District Attorney.

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

Fiduciary Funds:

Agency Fund

This fund is used to account for payroll and related withholding taxes paid from the office's various funds.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District Attorney as a whole. These statements include all the financial activities of the District Attorney. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney's operations. (See the reconciliation statements).

In the Fund Financial Statements, governmental fund equity is classified as fund balance. The District has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

Revenues

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. "Available" means collectible within the current period or within 60 days after year end. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector, and intermediary collecting government.

Intergovernmental revenues are recorded when the District Attorney is entitled to the funds.

Expenditures

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

Equity Classifications – In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets – Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

D. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

E. RECEIVABLES & PAYABLES

All trade and other receivables are shown net of an allowance for uncollectables.

F. CAPITAL ASSETS

Capital assets, which include property and equipment, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

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

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	7 years
Equipment	7 years

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

G. ESTIMATES

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

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District's name.

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are describes as follows:

- **Category 1** - Insured or collateralized with securities held by the District or by its agent in the District's name.
- **Category 2** - Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- **Category 3** - Uncollateralized

<u>Bank</u>	<u>Bank Balance At 12/31/2018</u>
Southern Heritage Bank	\$ 18,098
Catahoula-LaSalle Bank	-0-
Total	<u>\$ 18,098</u>

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Amounts on deposit are secured by the following pledges:

Description	Southern Heritage Market Value
FDIC (Category 1)	\$ 18,098
Securities (Category 2)	-0-
Total	\$ 18,098

3. RECEIVABLES

The receivables of \$10,229 at December 31, 2018, are as follows:

Accounts Receivable	\$ 10,229
Total	\$ 10,229

Allowance for doubtful accounts, if any, is considered immaterial and is not presented.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018, for the primary government is as follows:

	Beginning of Period	Additions	Deletions/ Transfers	End of Period
Capital assets being depreciated:				
Equipment & furniture	\$ 136,664	\$ -0-	\$ -0-	\$ 136,664
Less accumulated depreciation:	(113,546)	(5,233)	-0-	(118,779)
Total assets being depreciated, net	\$ 23,118	\$ (5,233)	\$ -0-	\$ 17,885

5. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$6,173 at December 31, 2018, are as follows:

Accounts Payable	\$ 6,173
Total Accounts Payable	\$ 6,173

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

6. PENSION PLANS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District Attorneys' Retirement System prepares its employer schedules in accordance with the standards established by the Government Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting

The District Attorneys' Retirement System's employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2018.

System Employees

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Pension Amount Netting

The deferred outflows and deferred inflows of resources resulting from differences between projected and actual earnings on pension plan investments that were recorded in different years were netted to report only a deferred outflow or inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows were not presented on a net basis.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

B. PLAN DESCRIPTION

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

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

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

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 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. Member 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. Member who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced by 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

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

**District Attorney of the Twenty-Eighth Judicial District
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NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

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

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

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 benefits, (not to exceed \$60 per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

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

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

**District Attorney of the Twenty-Eighth Judicial District
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NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

C. EMPLOYER CONTRIBUTIONS

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 0%.

Non-Employer Contributions

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2018 and excluded from pension expense.

D. SCHEDULE OF EMPLOYER ALLOCATIONS

The schedule of employer allocations reports the historical employee contributions in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of District Attorney's Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employees' contributions to the System during the fiscal year ended June 30, 2018, as compared to the total of all employees' contributions received by the System during the fiscal year ended June 30, 2018.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

E. SCHEUDLE OF PENSION AMOUNTS BY EMPLOYER

The schedule of pension amounts by employer displays each employer’s allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocation.

F. ACTUARIAL METHODS AND ASSUMPTIONS

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position.

The component of the net pension liability of the System’s employers as of June 30, 2018 are as follows:

	2018
Total Pension Liability	\$ 454,564,197
Plan Fiduciary Net Position	<u>(422,384,994)</u>
Total Collective Net Pension Liability	<u>\$ 32,179,203</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense
Projected Salary Increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality Rates	The RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using scale Assistance with were selected for employees, annuitants, and beneficiaries. The RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
Expected Remaining Service Lives	6 years- June 30, 2018 7 years- June 30, 2017 7 years- June 30, 2016 6 years- June 30, 2015 6 years- June 30, 2014
Cost of Living Adjustment	Only those previously granted.

**District Attorney of the Twenty-Eighth Judicial District
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NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.45% for the year ended June 30, 2018.

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2018 were as follows:

<u>Asset Class</u>	Long-Term Target Asset <u>Allocation</u>	<u>Rate of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	61.72%	10.82%	
Fixed Income	28.95%	6.36%	
Alternatives	8.85%	10.50%	
Cash	0.48%	0.50%	
System Totals	100.00%		6.95%
Inflation			2.50%
Expected Arithmetic Nominal of Return			9.45%

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

G. SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

	Changes in Discount Rate		
	2018		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.50%	6.50%	7.50%
Net Pension Liability / (Asset)	\$86,640,312	\$32,179,203	\$(14,152,885)

H. CHANGES IN NET PENSION LIABILITY:

The changes in net pension liability for the year ended June 30, 2018, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflows of resources as of June 30, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ 207,379	\$ -	\$ 34,563	\$ 172,816	\$ -
2017	-	1,540,049	(256,675)	-	1,283,374
2016	-	1,419,098	(283,819)	-	1,135,279
2015	-	1,140,742	(380,247)	-	760,495
2014	-	2,991,070	(1,495,534)	-	1,495,536
			Totals	\$ 172,816	\$ 4,674,684

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources as of June 30, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018		Net Deferred Inflows Balance
				Deferred Outflows	Deferred Inflows	
2018	\$ -	\$ 8,468,886	\$ (1,693,777)	\$ -	\$ 6,775,109	\$ (6,775,109)
2017	-	1,996,737	(499,184)	-	1,497,553	(1,497,553)
2016	11,355,133	-	3,785,045	7,570,088	-	7,570,088
2015	6,794,042	-	3,397,020	3,397,022	-	3,397,022
2014	-	5,327,941	(5,327,941)	-	-	-
			Totals	<u>\$ 10,967,110</u>	<u>\$ 8,272,662</u>	<u>\$ 2,694,448</u>

Changes in Assumptions or Other Inputs:

Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs results in deferred outflows of resources and deferred inflows of resources as of June 30, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ 12,292,550	\$ -	\$ 2,048,758	\$ 10,243,792	\$ -
2017	9,685,907	-	1,614,318	8,071,589	-
2016	-	-	-	-	-
2015	-	3,183,081	(1,061,027)	-	2,122,054
2014	2,406,817	-	1,203,409	1,203,408	-
			Totals	<u>\$ 19,518,789</u>	<u>\$ 2,122,054</u>

Changes in Proportion:

Changes in employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employers' pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employer's proportionate shares are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of June 30, 2018.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

I. CONTRIBUTIONS – PROPORTIONATE SHARE

Differences between contributions remitted to the System and the employer’s proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

J. ESTIMATES

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

K. RETIREMENT SYSTEM AUDIT REPORT

The District Attorneys’ Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.gov.

7. ON-BEHALF PAYMENTS

The accompanying financial statements include on-behalf payments made by the LaSalle Parish Police Jury, its Criminal Court Fund, and the State of Louisiana for salaries and related fringe benefits of the District Attorney’s employees and office expenses, as required by accounting principles generally accepted in the United State of America.

8. AGENCY FUND

The agency fund of the District Attorney's Office is used to pay payroll due from the various funds of the office. Use of the agency fund allows efficient accounting of payroll, withholding, and payment of payroll taxes and benefits. During the year the following transactions accrued in the agency fund:

Receipts	
Transfers from Various Funds	\$ <u>153,864</u>
Disbursements	
Salaries, Taxes and Benefits	\$ <u>153,864</u>

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

9. DUE FROM/TO OTHER FUNDS

	<u>Due From</u>		<u>Due To</u>		<u>Total</u>
General Fund	\$ (371)	\$	-0-	\$	(371)
Agency Fund	-0-		371		371
Total	<u>\$ (371)</u>	<u>\$</u>	<u>371</u>	<u>\$</u>	<u>-0-</u>

10. CAPITAL LEASE

Ford Motor Credit Company- Lease purchase for a 2015 Ford Explorer XLT vehicle in the amount of \$21,083, payable in 48 monthly installments of \$505, beginning May 2015 and ending April 2019; interest at 5.95%.

	<u>Lease</u>		<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 7,748	\$	7,748
Additions	-0-		-0-
Principal Retirement	(5,753)		(5,753)
Total	<u>\$ 1,995</u>	<u>\$</u>	<u>1,995</u>

The annual requirements to amortize all debt outstanding as of December 31, 2018, including interest payments, are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2019	2,020
2020	-0-
2021	-0-
2022	-0-
2023	-0-
Total	<u>\$ 2,020</u>

Required Supplementary Information

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Governmental Funds
Budgetary Comparison Schedule
Year Ended December 31, 2018**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Commissions on Fines	\$ 44,000	\$ 44,000	\$ 41,959	\$ (2,041)
Intergovernmental	28,000	28,000	136,075	108,075
Other Income	51,000	51,000	678	(50,322)
Worthless Check Collection	105,000	105,000	15,072	(89,928)
On Behalf Payments-Police Jury	310,369	310,369	331,599	21,230
On Behalf Payments-State	187,683	187,683	188,839	1,156
TOTAL REVENUES	<u>726,052</u>	<u>726,052</u>	<u>714,222</u>	<u>(11,830)</u>
EXPENDITURES				
LDAA Monthly Assessment	955	955	-0-	955
Worthless Checks	-0-	-0-	6,962	(6,962)
Auto Expenditures	9,400	9,400	5,184	4,216
Travel	5,500	5,500	5,204	296
Legal & Accounting	1,830	1,830	-0-	1,830
Insurance	200	200	-0-	200
Dues & Subscriptions	450	450	1,268	(818)
Contract Labor	-0-	-0-	9,812	(9,812)
Utilities	-0-	-0-	567	(567)
Office Expenditures	8,150	8,150	11,935	(3,785)
Cost of Court & Restitution	12,000	12,000	9,214	2,786
Payroll Expenditures	154,022	154,022	153,864	158
Capital Expenses	10,000	10,000	-0-	10,000
Lease Expense	-0-	-0-	6,059	(6,059)
Other Expenditures	27,120	27,120	4,212	22,908
Revenue Sharing	-0-	-0-	4,080	(4,080)
On Behalf Payments-Police Jury	310,369	310,369	331,599	(21,230)
On Behalf Payments-State	187,683	187,683	188,839	(1,156)
TOTAL EXPENDITURES	<u>727,679</u>	<u>727,679</u>	<u>738,799</u>	<u>(11,120)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,627)</u>	<u>\$ (1,627)</u>	<u>\$ (24,577)</u>	<u>\$ (22,950)</u>
FUND BALANCE – BEGINNING OF YEAR			47,709	
FUND BALANCE – END OF YEAR			<u>\$ 23,132</u>	

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Ten Year Schedule of the Employer's
Proportionate Share of the Net Pension Liability
Year Ended December 31, 2018**

<u>Year</u>	<u>Employer's Proportion of the NPL (Percentage)</u>	<u>Employer's Proportionate Share of the NPL (Amount)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the NPL as a Percentage of Its Covered- Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	.132665%	\$7,146	\$77,800	9.2%	98.6%
2016	.159205%	30,473	77,800	39.17%	95.1%
2017	.158508%	42,753	88,920	48.08%	93.57%
2018	.154927%	49,354	96,330	51.75%	92.92%

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Ten Year Schedule of the Employer Contributions
Year Ended December 31, 2018**

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Employee Payroll</u>
2015	\$5,445	\$5,452	\$(6)	\$77,800	7%
2016	3,385	1,946	(1,439)	77,800	2.5%
2017	-0-	-0-	-0-	88,920	-0-
2018	509	509	-0-	96,330	0.37%

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

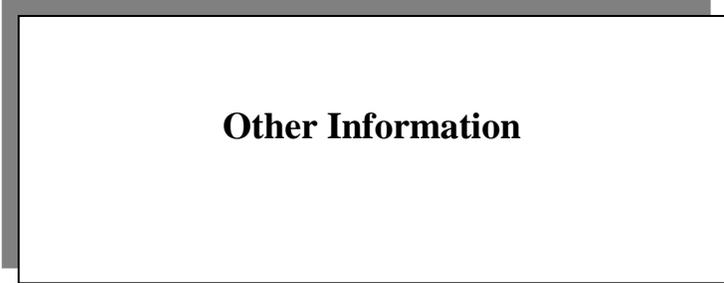
*Note: covered payroll used is during the measurement period.

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Notes to Changes to Supplementary Information
Year Ended December 31, 2018**

Changes in Valuation	
Methods and Assumptions	None

See independent auditor's report.



Other Information

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018**

District Attorney of the Twenty-Eighth Judicial District
Honorable Reed Walters

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 135,900
Benefits-Insurance	12,656
Benefits-Retirement	6,760
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	6,059
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	670
Conference Travel	-0-
Professional Organization Dues	255
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.



Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
davidvercher@centurytel.net

THE VERCHER GROUP

*A Professional Corporation of
Certified Public Accountants*

**P.O. Box 1608
1737 N 2nd St. – Suite A
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374**

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Certified Fraud Examiners

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

Honorable Reed Walters
District Attorney of the Twenty-Eighth Judicial District
Jena, 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 and the aggregate remaining fund information of the District Attorney of the Twenty-Eighth Judicial District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Eighth Judicial District's basic financial statements, and have issued our report thereon dated May 10, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District Attorney of the Twenty-Eighth 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-Eighth Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-Eighth Judicial District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses

or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana

May 10, 2019

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 2018**

We were engaged to audit the financial statements of the District Attorney of the Twenty-Eighth Judicial District, Jena, Louisiana, as of and for the year ended December 31, 2018, and have issued our report thereon dated May 10, 2019. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor's Results

Our audit of the financial statements as of December 31, 2018, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion On Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
------------------------	---

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended December 31, 2018**

Section II Financial Statement Findings

No items to report.

Section III Federal Awards Findings and Questioned Costs

Not applicable.

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT
JENA, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the District Attorney of the Twenty-Eighth Judicial District, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial review for the year ended December 31, 2017.

PRIOR YEAR FINDINGS

No items to report.

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

David R. Vercher M.B.A., C.P.A., C.F.E.
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AGREED-UPON PROCEDURES REPORT

Office of the District Attorney of the 28th Judicial District, LaSalle Parish, La.

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of January 1, 2018-December 31, 2018

Office of the District Attorney of the 28th Judicial District

LaSalle Parish, Louisiana

To the District Attorney and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by District Attorney (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, 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. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - 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/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
 - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - 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) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons,

if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registerers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Observation: We obtained a listing of locations and management’s representation that the list is complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to

employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Observation:

- A) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.**
- B) At least two employees are involved in processing and approving payments to vendors.**
- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.**
- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.**

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observation:

- A) Our random sample of expenditures found that each disbursement matched the related original invoice/billing statement**
- B) Each expenditure dated after the requirement was explained to management last year included evidence (initialed) of segregation of duties tested under #9.**

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

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

Observation: We obtained a list of all credit cards and management's representation that the list is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement

for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Observation:

A) We randomly selected one month (July 2018) and found that the statements were reviewed and approved, in writing, by someone other than the authorized card holder.

B) One of the statements have finance charges in the amount of \$57.14.

Exception: One of the statements have finance charges in the amount of \$57.14.

Management's Response: The office will make an effort to pay balance of statements each month.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Observation: We selected the transactions from the July 2018 statements and found each transaction was supported by a description of the item purchased, written document of the business purpose unless otherwise obvious and there were no meals.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation: Management's representation and a review of the general ledger found no travel or travel-related expense reimbursements during the year.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing,

obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

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

Observation: These procedures were performed in the prior year with no exceptions. These procedures will be rotated to the next calendar year.

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.

The Vercher Group

Jena, Louisiana

May 10, 2019