

**District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana**

**Financial Statements With Auditor's Report**

**As of and for the Year Ended December 31, 2017**

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana

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## Independent Auditors' Report

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Sixth Judicial District, a component unit of the Bossier Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Sixth Judicial District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' 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, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Sixth Judicial District as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 8, budgetary comparison information on pages 43 – 45, the schedule of funding progress for retiree health, dental, and life plans on page 46, the schedule of contributions on page 47, and the schedule of proportionate share of net pension liability on page 48 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

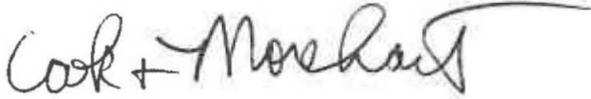
### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Twenty-Sixth Judicial District's basic financial statements. The other supplementary information Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management. Section I of that schedule was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section I of the schedule 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, Section I of the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 49 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2018, on our consideration of the District Attorney of the Twenty-Sixth 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney of the Twenty-Sixth Judicial District's 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-Sixth Judicial District's internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
June 29, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the District Attorney of the Twenty-Sixth Judicial District's financial performance provides an overview of the District Attorney's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the District Attorney's financial statements, which begin on page 9.

### FINANCIAL HIGHLIGHTS

The District Attorney's net position increased by \$210,402.

The District Attorney's total general and program revenues were \$2,936,677 in 2017 compared to \$2,589,655 in 2016.

During the year ended December 31, 2017, the District Attorney had total expenses, excluding depreciation and net OPEB obligation of \$2,611,140, compared to total expenses, excluding depreciation and net OPEB obligation of \$2,485,642 for the year ended December 31, 2016.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the District Attorney of the Twenty-Sixth Judicial District as a whole and present a longer-term view of the District Attorney's finances. Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District Attorney's operations in more detail than the government-wide statements by providing information about the District Attorney's most significant funds.

The District Attorney of the Twenty-Sixth Judicial District was determined to be a component unit of the Bossier Parish Police Jury. The District Attorney is fiscally dependent on the Police Jury for space and related costs. The accompanying financial statements present information only on the funds maintained by the District Attorney of the Twenty-Sixth Judicial District.

### Reporting the District Attorney of the Twenty-Sixth Judicial District as a Whole

Our analysis of the District Attorney of the Twenty-Sixth Judicial District as a whole begins on page 9. One of the most important questions asked about the District Attorney's finances is "Is the District Attorney as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the District Attorney of the Twenty-Sixth Judicial District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual *basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District Attorney's *net position* and changes in it. You can think of the District Attorney's net position – the difference between assets and liabilities – as one way to measure the District Attorney's financial health, or *financial position*. Over time, *increases* or *decreases* in the District Attorney's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the District Attorney.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the District Attorney as governmental activities.

Governmental activities – all of the expenses paid from the funds maintained by the District Attorney are reported here which consists primarily of personal services, materials and supplies, travel, repairs and maintenance and other program services. Fines and fees, state and federal grants and gaming tax revenue finance most of these activities.

### **Reporting the District Attorney's Most Significant Funds**

Our analysis of the major funds maintained by the District Attorney of the Twenty-Sixth Judicial District begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the most significant funds maintained by the District Attorney – not the District Attorney as a whole. The District Attorney of the Twenty-Sixth Judicial District's *governmental funds* use the following accounting approaches:

Governmental funds – All of the District Attorney's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District Attorney's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain District Attorney expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.

**THE DISTRICT ATTORNEY OF THE TWENTY-SIXTH JUDICIAL DISTRICT AS A WHOLE**

The District Attorney of the Twenty-Sixth Judicial District's total net position changed from a year ago, increasing from \$(1,865,389) to \$(1,654,987).

**Table 1  
Net Position**

	Governmental Activities	
	2017	2016
Current and other assets	\$ 513,435	\$ 302,888
Capital assets	4,839	18,319
Total assets	<u>518,274</u>	<u>321,207</u>
Deferred outflows of resources	682,549	696,923
Current liabilities	455,260	450,330
Long-term liabilities	2,214,636	2,242,262
Total liabilities	<u>2,669,896</u>	<u>2,692,592</u>
Deferred inflows of resources	185,914	190,927
Net position:		
Investment in capital assets	4,839	18,319
Restricted	26,604	31,445
Unrestricted (deficit)	(1,686,430)	(1,915,153)
Total net position (deficit)	<u>\$ (1,654,987)</u>	<u>\$ (1,865,389)</u>

Net position of the District Attorney's governmental activities increased by \$210,402 for the year ended December 31, 2017, compared to an increase of \$42,631 for the year ended December 31, 2016. Unrestricted net position, the part of net position that can be used to finance District Attorney expenses without constraints or other legal requirements, increased from a year ago, increasing to \$(1,686,430) at December 31, 2017 from \$(1,915,153) at December 31, 2016.

**Table 2  
Change in Net Position**

	Governmental Activities	
	2017	2016
Revenues		
Program Revenues		
Charges for services	\$ 1,508,422	\$ 1,166,217
Operating grants and contributions	1,421,149	1,349,838
General Revenues		
Investment earnings	98	67
Miscellaneous	7,008	73,533
Total revenues	<u>2,936,677</u>	<u>2,589,655</u>
Expenses		
Judicial	2,103,631	1,953,500
Truancy programs	425,150	418,321
Family justice center program	197,494	175,203
Total expenses	<u>2,726,275</u>	<u>2,547,024</u>
Increase in net position	<u>\$ 210,402</u>	<u>\$ 42,631</u>

Total revenues increased \$347,022 (13.05%) from total revenues in the year ended December 31, 2016 of \$2,589,655 to total revenues of \$2,936,677 in the year ended December 31, 2017.

#### **THE DISTRICT ATTORNEY'S FUNDS**

As the District Attorney completed the year ended December 31, 2017, its governmental funds (as presented in the balance sheet on page 11) reported a *combined* fund balance of \$58,175, which is more than the previous year's fund balance (deficit) of \$(147,442). The primary reason for the increase is a reduction in expenses.

#### **General Fund Budgetary Highlights**

The District Attorney adopted a budget for its General Fund for the year ended December 31, 2017. There was one amendment to the budget during the year. The District Attorney's budgetary comparison is presented as required supplementary information and shown on pages 43-45.

The District Attorney's General Fund balance of \$31,571 reported on page 11 differs from the General Fund's *budgetary* fund balance of \$212,515 reported in the budgetary comparison schedule on page 43. This is primarily due to the District Attorney budgeting on the cash basis of accounting.

## CAPITAL ASSETS

At the end of December 31, 2017, the District Attorney had invested \$4,839 in capital assets, compared to \$18,319 at December 31, 2016. (see table 3 below)

**Table 3**  
**Capital Assets at Year End**  
**(Net Depreciation)**

	Governmental Activities	
	2017	2016
Equipment	\$ 4,839	\$ 8,542
Vehicles		9,777
Total assets	<u>\$ 4,839</u>	<u>\$ 18,319</u>
This years major additions:		
Computer equipment and copier	<u>\$</u>	<u>\$ 8,593</u>

More detailed information about the capital assets is presented in Note 7 to the financial statements.

## DEBT ADMINISTRATION

Long-term liabilities of the District Attorney are summarized as follows:

	Governmental Activities	
	2017	2016
Compensated absences	\$ 16,699	\$ 12,185
Net pension liability	611,423	541,908
Other post-employment benefit obligation	1,586,514	1,688,169
Totals	<u>\$ 2,214,636</u>	<u>\$ 2,242,262</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The District Attorney of the Twenty-Sixth Judicial District's management considered many factors when setting a fiscal year December 31, 2018 budget. Amounts available for appropriation in the governmental funds are expected to be consistent with the 2017 year.

## CONTACTING THE DISTRICT ATTORNEY OF THE TWENTY-SIXTH JUDICIAL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the District Attorney of the Twenty-Sixth Judicial District and to show the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact John Schuyler Marvin, District Attorney, P.O. Box 69, Benton, LA 71006.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Statement of Net Position  
 December 31, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 272,484
Receivables	240,951
Depreciable capital assets (net)	<u>4,839</u>
Total assets	<u>518,274</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	<u>682,549</u>
<b>LIABILITIES</b>	
Accounts payable	455,260
Long-term liabilities:	
Due within one year	16,699
Due in more than one year	<u>2,197,937</u>
Total liabilities	<u>2,669,896</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	<u>185,914</u>
<b>NET POSITION (DEFICIT)</b>	
Investment in capital assets	4,839
Restricted-truancy programs	
Truancy	23,038
Family justice center	3,566
Unrestricted (deficit)	<u>(1,686,430)</u>
Total net position (deficit)	<u>\$ (1,654,987)</u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Statement of Activities  
 For the Year Ended December 31, 2017

		Program Revenues		Net(Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Judicial	\$ 2,103,631	\$ 1,508,422	\$ 753,431	\$ 158,222
Truancy programs	425,150		454,144	28,994
Family justice center program	197,494		213,574	16,080
Total governmental activities	2,726,275	1,508,422	1,421,149	203,296
General Revenues:				
Interest income				98
Miscellaneous				7,008
Total general revenues				7,106
Change in net position				210,402
Net position (deficit) - beginning				(1,865,389)
Net position (deficit) - ending				\$ (1,654,987)

The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Balance Sheet  
 Governmental Funds  
 December 31, 2017

	General	Truancy	Family Justice Center	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 177,814	\$ 94,670	\$	\$ 272,484
Receivables	151,216	36,947	52,788	240,951
Due from other fund	34,701			34,701
<b>Total assets</b>	<b>\$ 363,731</b>	<b>\$ 131,617</b>	<b>\$ 52,788</b>	<b>\$ 548,136</b>
<b>Liabilities</b>				
Accounts payable	\$ 332,160	\$ 108,579	\$ 14,521	\$ 455,260
Due to other fund			34,701	34,701
<b>Total liabilities</b>	<b>332,160</b>	<b>108,579</b>	<b>49,222</b>	<b>489,961</b>
<b>Fund balances</b>				
Restricted for family justice center			3,566	3,566
Restricted for truancy		23,038		23,038
Unassigned	31,571			31,571
<b>Total fund balances</b>	<b>31,571</b>	<b>23,038</b>	<b>3,566</b>	<b>58,175</b>
<b>Total liabilities and fund balances</b>	<b>\$ 363,731</b>	<b>\$ 131,617</b>	<b>\$ 52,788</b>	<b>\$ 548,136</b>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Reconciliation of the Balance Sheet of the Governmental Funds  
 to the Statement of Net Position  
 December 31, 2017

Fund balances - total governmental funds \$ 58,175

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. 4,839

Other long-term amounts are not available to pay for current -period expenditures and therefore are not available in the funds:

Deferred outflows of resources - pension related 682,549

Long-term liabilities and other amounts, including compensated absences, net pension liabilities, and other post-employment benefit obligations, are not due and payable in the current period and therefore are not reported in the governmental funds:

Other post-employment benefits	1,586,514	
Compensated absences	16,699	
Net pension liability	611,423	
Deferred inflows of resources - pension related	<u>185,914</u>	<u>(2,400,550)</u>

Net position (deficit) of governmental activities \$ (1,654,987)

The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended December 31, 2017

Revenues:	General	Truancy	Family Justice Center	Total Governmental Funds
Fines and forfeitures	\$ 1,412,261	\$	\$	\$ 1,412,261
State and federal grants:				
Title IV-D reimbursement	432,171			432,171
Juvenile tracker program	104,920			104,920
Victims assistance grants	55,000			55,000
Other	46,417			46,417
Truancy		158,976		158,976
Family justice center			213,574	213,574
Check collection fees	96,161			96,161
State Appropriation - Truancy		295,168		295,168
Miscellaneous	6,608		400	7,008
Interest income	98			98
Total revenues	<u>2,153,636</u>	<u>454,144</u>	<u>213,974</u>	<u>2,821,754</u>
Expenditures:				
General government:				
Current operating:				
Judicial	1,993,493			1,993,493
Truancy programs		425,150		425,150
Family justice center program			197,494	197,494
Total expenditures	<u>1,993,493</u>	<u>425,150</u>	<u>197,494</u>	<u>2,616,137</u>
Excess of revenues over (under) expenditures	160,143	28,994	16,480	205,617
Other financing sources (uses)				
Transfers in	37,401			37,401
Transfers out		(37,401)		(37,401)
Total other financing sources (uses)	<u>37,401</u>	<u>(37,401)</u>		
Net change in fund balance	197,544	(8,407)	16,480	205,617
Fund balances (deficit) - beginning of year	<u>(165,973)</u>	<u>31,445</u>	<u>(12,914)</u>	<u>(147,442)</u>
Fund balances - end of year	<u>\$ 31,571</u>	<u>\$ 23,038</u>	<u>\$ 3,566</u>	<u>\$ 58,175</u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ 205,617

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

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

Depreciation expense	(13,480)	(13,480)
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Revenues that are not available to pay current obligations are reported in the governmental funds.

Nonemployer contributions to cost-sharing pension plan		114,923
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Increase in compensated absences		(4,514)
Pension expense		(193,799)
Net OPEB obligation		101,655

Change in net position of governmental activities		\$ 210,402
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The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana  
Statement of Fiduciary Net Position  
December 31, 2017

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	<u>\$ 246,949</u>
Total assets	<u><u>\$ 246,949</u></u>
Liabilities	
Unsettled deposits due to others	<u>\$ 246,949</u>
Total liabilities	<u><u>\$ 246,949</u></u>

The accompanying notes are an integral part of the financial statements.

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana  
Notes to the Financial Statements  
December 31, 2017

Introduction

As provided in the laws of the State of Louisiana, 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. The District Attorney also performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of 6 years. The Twenty-Sixth Judicial District encompasses the parishes of Bossier and Webster, Louisiana.

(1) Summary of Significant Accounting Policies

The District Attorney of the Twenty-Sixth Judicial District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District Attorney of the Twenty-Sixth Judicial District (District Attorney) are discussed below.

A. Reporting Entity

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the Bossier Parish Police Jury. The police jury maintains and operates the parish courthouse in which the District Attorney's office is located and provides funds for equipment and furniture and other operating expenses of the District Attorney's office. In addition, the police jury's general purpose 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 Bossier Parish Police Jury, the financial reporting entity.

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

B. Basic Financial Statements – Government-Wide Statements

The District Attorney's basic financial statements include both government-wide (reporting the funds maintained by the District Attorney as a whole) and fund financial statements (reporting the District Attorney's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District Attorney's General Fund, Truancy Fund, and Family Justice Center Fund are classified as governmental activities. The District Attorney does not have any business-type activities

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The District Attorney's net position is reported in two parts – investment in capital assets, and unrestricted net position (deficit).

(Continued)

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana  
Notes to the Financial Statements  
December 31, 2017  
(Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District Attorney's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Program revenues of the District Attorney consist of fines and forfeitures, state and federal grants, check collection fees, nonemployer contributions to cost-sharing pension plan, and state appropriation revenues. The net costs (by function) are normally covered by general revenues.

This government-wide focus is more on the sustainability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the District Attorney are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District Attorney:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District Attorney:

General Fund – the general fund accounts for the operations of the District Attorney's office. Included in the general fund, to offset or defray the necessary expenditures of the District Attorney, are fines collected and bonds forfeited in compliance with Louisiana Revised Statute (R.S.) 15:571.11; certain percentage of asset forfeiture revenue in regards to the Special Asset Forfeiture Trust Fund established by Louisiana Revised Statute 40:2616; reimbursements received from the Louisiana Department of Social Services for operation of the family and child support programs (Title IV–D Reimbursement); worthless check collection fees collected in accordance with Louisiana Revised Statute 16:15; and all other financial resources not accounted for and reported in another fund.

Special Revenue Fund – the special revenue fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The special revenue fund of the District Attorney consists of the Truancy Program and Family Justice Center operations.

Fiduciary Fund – the fiduciary fund is used to report assets held in a trust or agency capacity for others and therefore are not available to support District Attorney programs. Included in this fund type is the Asset Forfeiture Trust Fund established by Louisiana Revised Statute 40:2616.

The emphasis in fund financial statements is on the major funds in the governmental category. Non-major funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds. The General Fund and the Truancy Fund of the District Attorney were determined to be major funds.

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The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund

Truancy Program Fund – accounts for the operation of certain truancy programs.

D. Basis of Accounting

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

1. Accrual:

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

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The District Attorney uses the following budget practices:

1. The District Attorney prepares an operating budget for the general and special revenue funds.
2. The budget is made available for public inspection prior to the public hearing held to obtain taxpayer comment.
3. The budget is adopted at the public hearing.
4. The budget is adopted on a cash basis.
5. The budget may be revised during the year.
6. Appropriations lapse at the end of each fiscal year.

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F. Cash, Cash Equivalents, and Investments

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

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles	5 years
Equipment	3 – 7 years

H. Compensated Absences

The District Attorney has an informal policy for vacation and sick leave. Employees of the District Attorney earn from 5 to 15 days of vacation leave each year, depending on their lengths of service. Employees may carry no more than one-half of their normal yearly benefit forward to the next benefit year. Upon termination of employment, employees will be paid for unused vacation time that they are eligible for according to the District Attorney's policy.

Employees of the District Attorney will accrue sick leave benefits which are calculated on the basis of a "benefit year" at the rate of 6 days per year. Unused sick leave will be allowed to accumulate without limit. Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

The current portion of compensated absences payable (the amount estimated to be used during the period of availability) is recorded as a liability in the fund financial statements. The entire balance of compensated absences payable is recognized as a liability in the government-wide financial statements. The non-current portion represents a reconciling item between the fund and government-wide statements.

I. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

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J Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District Attorney has deferred outflows of resources related to pensions reported in the government-wide statement of net position

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element *deferred inflows of resources* reflects an increase in net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District Attorney has deferred inflows of resources related to pensions reported in the government-wide statement of net position.

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the District Attorney or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District Attorney's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

M. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net assets

N Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the District Attorney (the District Attorney's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the District Attorney removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the District Attorney's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications

The District Attorney's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

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(2) Cash and Cash Equivalents

At December 31, 2017, the District Attorney had cash and cash equivalents (book balances) totaling as follows:

Demand deposits	\$ 508,912
Time deposits	<u>10,521</u>
Total	<u>\$ 519,433</u>

Reconciliation to government-wide Statement of Net Position

Cash and cash equivalents	\$ 272,484
Agency funds (not on government-wide statements)	<u>246,949</u>
	<u>\$ 519,433</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2017, \$18,346 of the District Attorney's bank balances of \$621,124, were exposed to custodial credit risk. Those funds were uncollateralized and not secured by pledged securities.

(3) Interfund Balances

Interfund balances for the year ended December 31, 2017 consisted of \$34,701 due from the Family Justice Center Fund to the General Fund. Advances from the General Fund were made to the Family Justice Center Program, of which the main source of revenue is a reimbursable contract.

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(4) Pension Plan – District Attorney and Assistant District Attorneys

The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing multiple-employer plan administered by a separate board of trustees. The District Attorneys' Retirement System (System) was created on August 1, 1956 by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefit, are provided as specified in the plan.

**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, nineteen hundred and fifty-six and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service

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credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

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

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

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

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

In lieu of receiving 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 three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated

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

**Employer Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 0%. The District Attorney contributions to the System for the years ended December 31, 2017, 2016, and 2015 were \$0, \$11,243, and \$32,883, respectively.

**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 totaling \$105,398 are recognized as revenue during the year ended December 31, 2017 and excluded from pension expense.

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

At December 31, 2017, the District Attorney reported a liability of \$345,866 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on the employer's contributions to the System during the year ended June 30, 2017, as compared to the total of all employers' contributions to the System for the year ended June 30, 2017. At June 30, 2017, the District Attorney's proportion was 1.282306%, which was an increase of .228621% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the District Attorney recognized pension expense of \$133,271, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$(68).

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 90,928
Changes of assumptions	155,066	40,817
Net difference between projected and actual earnings on pension plan investments	138,803	
Changes in proportion and differences between employer contributions and proportionate share of contributions	36,253	6,384
Employer contributions subsequent to the measurement Date		
Total	<u>\$ 330,122</u>	<u>\$ 138,129</u>

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

<u>Year</u>	<u>Amount</u>
2018	\$ 17,308
2019	85,629
2020	40,240
2021	10,411
2022	16,811
2023	21,594
Total	<u>\$ 191,993</u>

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.50% (2.50% Inflation, 3.00% Merit)

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Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement.
Expected Remaining Service Lives	7 years
Cost of Living Adjustments	Only those previously granted

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

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equities	61.72%	11.31%
Fixed Income	28.95%	6.84%
Alternatives	8.85%	10.50%
Cash	.48%	0.50%
Totals	<u>100.00%</u>	6.56%
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>9.06%</u>

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

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate.

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75	7.75%
Net Pension Liability (Asset)	\$988,355	\$345,866	\$(200,095)

**Change in Net Pension Liability**

The changes in the net pension liability for the year ended December 31, 2017 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.

**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.

**Changes of Assumptions or Other Inputs:**

Changes of 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 the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**Change in Proportion:**

Changes in the 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 employer's pension expense (benefit) using a 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.

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**Contributions – Proportionate Share**

Differences between contributions remitted to the System and the employer's proportionate share are recognized in 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 with a pension through the pension plan.

**Pension Plans Fiduciary Net Positions**

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 related 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. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to these reports can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

(5) Pension Plan – Other Employees

Substantially all employees of the District Attorney, except for the district attorney and his assistants, are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

All employees of the District Attorney are members of Plan A.

**Plan Description**

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing District Attorneys of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

**Eligibility Requirements:**

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

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Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

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

Deferred Retirement Option Plan:

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

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

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed

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subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

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

Cost of Living Increases:

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

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2016, the actuarially determined contribution rate was 10.52% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2016 was 13.0% for Plan A. The actual rate for the fiscal year ending December 31, 2017 was 12.5%. The District Attorney's contributions to the System for the years ended December 31, 2017, 2016, and 2015 were \$96,610, \$93,680, and \$115,290, respectively.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions received by the System and attributable to the District Attorney for the year ended December 31, 2017 were \$9,525.

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

At December 31, 2017, the District Attorney reported a liability of \$265,557 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine

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the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. 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 resulting 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 employer's contribution to the plan during the fiscal year ended December 31, 2016 as compared to the total of all employer's contributions received by the plan during the fiscal year ended December 31, 2016.

At December 31, 2016, the District Attorney's proportion was .0012894184%, which was a decrease of .0000035816% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District Attorney recognized pension expense of \$157,181, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, (\$485).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 46,470
Changes of assumptions	50,418	
Net difference between projected and actual earnings on pension plan investments	206,082	
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,315
Employer contributions subsequent to the measurement Date	95,927	
Total	<u>\$ 352,427</u>	<u>\$ 47,785</u>

The District Attorney reported a total of \$95,927 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2016, which will be recognized as a reduction in net pension liability in the year ended December 31, 2018.

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

<u>Year</u>	<u>Amount</u>
2018	\$ 77,395
2019	82,728
2020	54,160
2021	(5,568)
Total	<u>\$ 208,715</u>

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**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.

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

Valuation Date	December 31, 2015
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	7.00% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7.00% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2015.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2014 are summarized in the following table:

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

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was 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. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

**Sensitivity to Change in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, 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 6.00% or one percentage point higher 8.00% than the current rate.

	<u>PLAN A</u>		
	<u>Changes in Discount Rate</u>		
	1%	Current	1%
	Decrease	Discount	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Net Pension Liability (Asset)	\$794,389	\$265,557	\$(181,586)

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**Change in Net Pension Liability**

The changes in the net pension liability for the year ended December 31, 2017 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.

**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.

**Change in Assumptions:**

The changes of assumptions about future economic or demographic factors 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.

**Change in Proportion:**

Changes in the 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 employer's pension expense/(benefit) using a 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.

**Contributions – Proportionate Share**

Differences between contributions remitted to the System and the employer's proportionate share are recognized in 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 with a pension through the pension plan.

**Retirement System Audit Report**

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2016. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

**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 related 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. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended December 31, 2016. Access to these reports can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

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(6) Receivables

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

Commissions on fines and forfeitures	\$ 39,974
State and federal grants:	
Title IV-D reimbursement	78,973
Vertical prosecution grant	4,811
Tracker contract	9,200
Teen court contract	8,258
Truancy contracts	36,947
Victims assistance grants	10,000
Family Justice Center Contract	52,788
Totals	<u>\$ 240,951</u>

(7) Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

<u>Government Activities</u>	<u>Balance 12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2017</u>
Capital assets being depreciated				
Equipment	\$ 80,386	\$	\$	\$ 80,386
Vehicles	92,996			92,996
Total capital assets being depreciated, at historical cost	<u>173,382</u>			<u>173,382</u>
Less accumulated depreciation				
Equipment	(71,844)	(3,703)		(75,547)
Vehicles	<u>(83,219)</u>	<u>(9,777)</u>		<u>(92,996)</u>
Total accumulated depreciation	<u>(155,063)</u>	<u>(13,480)</u>		<u>(168,543)</u>
Governmental activities capital assets, net	<u>\$ 18,319</u>	<u>\$ (13,480)</u>	<u>\$</u>	<u>\$ 4,839</u>

Depreciation expense was charged to governmental activities as follows:

Judicial	<u>\$ 13,480</u>
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(8) Expenditures of the District Attorney Not Included in the Accompanying Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid from criminal court funds, the parish governments, or directly by the state.

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The District Attorney has offices located in the courthouses in Bossier and Webster Parish. Expenditures for operation and maintenance of the parish courthouses are paid by Bossier Parish Police Jury and Webster Parish Police Jury and are not included in the expenditures of the District Attorney. Also, certain salaries of the District Attorney and his assistants are paid out of the general fund of the Bossier Parish Police Jury and the Webster Parish Police Jury and are not included in the expenditures of the District Attorney.

(9) Accounts Payable

Accounts payable at December 31, 2017 consisted of the following:

Salaries and benefits	\$	289,896
Accounts		<u>165,364</u>
		<u>\$ 455,260</u>

(10) Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 14,298	\$ 16,699	\$ 14,298	\$ 16,699	\$ 16,699
Other post-employment benefit obligation	1,688,169		101,655	1,586,514	
Net pension liability-DA system	201,683	144,183		345,866	
Net pension liability- Parochial system	<u>340,225</u>		<u>74,668</u>	<u>265,557</u>	
<b>Governmental Activities</b>					
long-term liabilities	<u>\$ 2,244,375</u>	<u>\$ 160,882</u>	<u>\$ 190,621</u>	2,214,636	16,699
Less amounts due within period of availability - recorded in accounts payable				<u>                    </u>	<u>                    </u>
<b>Total long-term liabilities, government-wide statements</b>				<u>\$ 2,214,636</u>	<u>\$ 16,699</u>

(11) Risk Management

The District Attorney has commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

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(12) Leases

The District Attorney leases certain office space under operating leases. Rental costs for the year ended December 31, 2017 was \$6,000. There are no commitments under lease agreements having terms in excess of one year.

(13) Other Post-Employment Benefits

**Plan Description.** The District Attorney administers a single-employer defined benefit Other Post Employment Benefit plan (OPEB). The Bossier Parish DA's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Most employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service; age 60 and 10 years of service, or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 30 years of service, age 62 and 10 years of service; or, age 67 and 7 years of service. For the few employees not covered by that system, the same retirement eligibility has been assumed.

Dental insurance coverage is provided to retirees. The employer pays 80% of the cost of the dental insurance for the retiree dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance. The dental actuarial costs and liabilities are included in the medical results

Life insurance coverage is available to retirees and the blended rate (active and retired). The employee pays 20% of the "cost" of the retiree life insurance, but it is based on the blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption, zero trend was used for life insurance. Retiree insurance coverage amounts are reduced to a flat \$9,000, although certain current retirees have different amounts from prior schedules.

**Contribution Rates.** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy.** Until 2008, the Bossier Parish DA recognized the cost of providing post-employment medical and life insurance benefits (the Bossier Parish DA's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2015, the Bossier Parish DA's portion of health care and life insurance funding cost for retired employees totaled \$262,454 and \$243,012, respectively.

Effective January 1, 2008, the Bossier Parish DA implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section). This amount was applied toward the New OPEB Benefit Obligation as shown in the following table.

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**Annual Required Contribution.** The Bossier Parish DA's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2017</u>	<u>2016</u>
Normal cost	\$ 103,097	\$ 99,132
30-year UAL amortization amount	87,802	84,425
Annual required contribution (ARC)	<u>\$ 190,899</u>	<u>\$ 183,557</u>

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

	<u>2017</u>	<u>2016</u>
Beginning Net OPEB Obligation	\$ 1,688,169	\$ 1,779,350
Annual required contribution	190,899	183,557
Interest on Net OPEB Obligation	67,527	71,174
ARC Adjustment	<u>(97,627)</u>	<u>(102,900)</u>
OPEB Cost	160,799	151,831
Contribution		
Current year retiree premium	<u>(262,454)</u>	<u>(243,012)</u>
Change in Net OPEB Obligation	<u>(101,655)</u>	<u>(91,181)</u>
Ending Net OPEB Obligation	<u>\$ 1,586,514</u>	<u>\$ 1,688,169</u>

The following table shows the Bossier Parish DA's annual post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (OPEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2017	\$ 160,799	163.22%	\$ 1,586,514
December 31, 2016	\$ 151,831	160.05%	\$ 1,688,169
December 31, 2015	\$ 227,651	6.87%	\$ 1,779,350

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**Funded Status and Funding Progress.** In 2017 and 2016, the Bossier Parish DA made no contributions to its post employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on January 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$1,578,954 which is defined as that portion, as determined by a particular actuarial cost method (the Bossier Parish DA uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2017</u>	<u>2016</u>
Actuarial Accrued Liability (AAL)	\$ 1,578,954	\$ 1,518,225
Actuarial Value of Plan Assets (AVP)		
Unfunded Act. Accrued Liability (UAAL)	\$ 1,578,954	\$ 1,518,225
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 1,839,345	\$ 1,252,832
UAAL as a percentage of covered payroll	85.84%	121.18%

The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

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

**Actuarial Value of Plan Assets.** There are not any plan assets. It is anticipated that in the future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

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**Turnover Rate** – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%.

**Post employment Benefit Plan Eligibility Requirements.** Based on past experience, it is assumed that entitlement to benefits will commence three years after eligibility to enter the D.R.O.P., as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

**Investment Return Assumption (Discount Rate).** GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate.** The expected rate of increase in medical cost is based on graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten year out and later.

**Mortality Rate.** The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

**Method of Determining Value of Benefits.** The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 80% of the cost of the medical insurance for the retirees and dependents. The rates provided applicable before age 65 are "blended" rates. Since GASB Codification Section P50 mandates that "unblended" rates be used, we have estimated the "unblended" rates for two broad groups: active and retired before Medicare eligibility. It has been assumed that the retiree rate before Medicare eligibility is 130% of the blended rate.

**Inflation Rate** - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**Projected Salary Increases** - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

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 December 31, 2017  
 (Continued)

**Post-retirement Benefit Increases** - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

**Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.**

<u>OPEB Costs and Contributions</u>			
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 227,651	\$ 151,831	\$ 160,799
Contribution			
Retiree premium	<u>15,639</u>	<u>243,012</u>	<u>262,454</u>
Total contribution and premium	<u>15,639</u>	<u>243,012</u>	<u>262,454</u>
Change in net OPEB obligation	<u>212,012</u>	<u>(91,181)</u>	<u>(101,655)</u>
Net OPEB obligation at year-end	\$ <u>1,779,350</u>	\$ <u>1,688,169</u>	\$ <u>1,586,514</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	6.87%	160.05%	163.22%

(14) Subsequent Events

Subsequent events have been evaluated through June 29, 2018, the date the financial statements were available to be issued.

(15) Deferred Inflows and Deferred Outflows of Resources

The Statement of Net Position reports deferred inflows of resources at December 31, 2017, consisting of the following:

Pension related – DA system	\$ 138,129
Pension related – Parochial system	<u>47,785</u>
	<u>\$ 185,914</u>

The Statement of Net Position reports deferred outflows of resources at December 31, 2017, consisting of the following:

Pension related – DA system	\$ 330,122
Pension related – Parochial system	<u>352,427</u>
	<u>\$ 682,549</u>

(16) Implementation of New Accounting Principle

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which will require adoption in the year ended December 31, 2018. The statement may or will have a material effect on the District Attorney's financial statements once implemented. The District Attorney will be analyzing the effects of this pronouncement and plans to adopt it by its effective date.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended December 31, 2017

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 1,173,200	\$ 1,425,236	\$ 1,418,349	\$ (6,887)
State and federal grants	672,285	613,735	611,646	(2,089)
Check collection fees	80,000	100,108	96,196	(3,912)
Miscellaneous		1,142	6,608	5,466
Interest income	115	353	98	(255)
Total revenues	<u>1,925,600</u>	<u>2,140,574</u>	<u>2,132,897</u>	<u>(7,677)</u>
Expenditures:				
General government:				
Current operating				
Judicial	1,882,900	2,087,804	2,055,695	32,109
Total expenditures	<u>1,882,900</u>	<u>2,087,804</u>	<u>2,055,695</u>	<u>32,109</u>
Excess (deficiency) of revenues over expenditures	42,700	52,770	77,202	24,432
Other financing sources (uses)				
Transfers in			37,401	37,401
Net change in fund balance	42,700	52,770	114,603	61,833
Fund balances at beginning of year			97,912	97,912
Fund balances at end of year	<u>\$ 42,700</u>	<u>\$ 52,770</u>	<u>\$ 212,515</u>	<u>\$ 159,745</u>

See accompanying note to the required supplementary schedule.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Truancy Fund  
 For the Year Ended December 31, 2017

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State and federal grants	628,220	494,031	496,277	2,246
Total revenues	<u>628,220</u>	<u>494,031</u>	<u>496,277</u>	<u>2,246</u>
<b>Expenditures:</b>				
General government:				
Current operating				
Truancy programs	628,220	494,031	465,848	28,183
Total expenditures	<u>628,220</u>	<u>494,031</u>	<u>465,848</u>	<u>28,183</u>
Excess (deficiency) of revenues over expenditures before transfers			30,429	30,429
Other financing sources (uses)				
Transfers out			(37,401)	(37,401)
Net change in fund balance			(6,972)	(6,972)
Fund balances at beginning of year			10,635	10,635
Fund balances at end of year	<u>\$</u>	<u>\$</u>	<u>\$ 3,663</u>	<u>\$ 3,663</u>

See accompanying note to the required supplementary schedule.

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Note to Required Supplementary Information  
 December 31, 2017

Budget comparison schedule included in the accompanying financial statements include the original adopted budgets and all subsequent amendments. Budgets are adopted on a cash basis. There was one budget amendment during 2017. The following schedule reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the statement of revenues, expenditures and changes in fund balance (budget basis) with amounts shown on the statement of revenues, expenditures and changes in fund balances (GAAP basis):

	<u>General Fund</u>	<u>Tuancy Fund</u>
Excess (deficiency) of revenues over expenditures (budget basis)	\$ 77,202	\$ 30,429
Adjustments:		
Revenue accruals – net	28,756	(42,133)
Expenditure accruals – net	<u>54,185</u>	<u>40,698</u>
Excess (deficiency) of revenues over expenditures (GAAP basis)	<u>\$ 160,143</u>	<u>\$ 28,994</u>

District Attorney of the TwentySixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Schedule of Funding Progress for Retiree Health, Dental, and Life Plans  
 For the Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded ALL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2016	\$ 0	\$ 1,518,225	\$ 1,518,225	0	\$ 1,252,832	121.18%
1/1/2014	0	1,564,316	1,564,316	0	1,529,459	102.28%
1/1/2012	0	1,336,191	1,336,191	0	1,908,930	70.00%
1/1/2010	0	1,722,505	1,722,505	0	1,935,214	89.01%

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Required Supplementary Information  
 Schedule of Contributions  
 For the Year Ended December 31, 2017

**District Attorneys' Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ -	\$ 11,243	\$ 32,883
Contributions in relation to the contractually required contribution		<u>11,243</u>	<u>32,883</u>
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	\$ 696,755	\$ 662,920	\$ 625,772
Contributions as a percentage of covered-employee payroll	0.00%	1.70%	5.25%

**Parochial Employees' Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 96,610	\$ 93,680	\$ 115,290
Contributions in relation to the contractually required contribution	<u>96,610</u>	<u>93,680</u>	<u>115,290</u>
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	\$ 772,877	\$ 720,625	\$ 795,107
Contributions as a percentage of covered-employee payroll	12.50%	13.00%	14.50%

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

District Attorney of the Twenty-Sixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Required Supplementary Information  
 Schedule of Proportionate Share of Net Pension Liability  
 For the Year Ended December 31, 2017

**District Attorneys' Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	1.282306%	1.053690%	1.103191%
Proportionate share of the net pension liability	\$ 345,866	\$ 201,683	\$ 59,424
Covered-employee payroll	\$ 706,845	\$ 633,278	\$ 631,271
Proportionate share of the net pension liability as a percentage of covered employee payroll	48.93%	31.85%	9.41%
Plan fiduciary net position as a percentage of the total pension liability	93.57%	95.09%	98.56%

**Parochial Employees' Retirement System**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.001289%	0.001293%	0.001666%
Proportionate share of the net pension liability	\$ 265,557	\$ 340,225	\$ 45,555
Covered-employee payroll	\$ 720,625	\$ 795,107	\$ 720,562
Proportionate share of the net pension liability as a percentage of covered employee payroll	36.85%	42.79%	6.32%
Plan fiduciary net position as a percentage of the total pension liability	94.15%	92.23%	99.15%

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

District Attorney of the TwentySixth Judicial District  
 Parishes of Bossier and Webster, Louisiana  
 Other Supplementary Information  
 Schedule of Compensation, Benefits, and Other Payments to Agency Head  
 For The Year Ended December 31, 2017

**Agency Head: John Schyler Marvin - District Attorney**

**SECTION I**

**Paid by the District Attorney of the Twenty-Sixth Judicial District:**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 51,756
Benefits - health insurance	18,788
Travel - per diem	6,206

**SECTION II**

**Paid by the Webster Parish Police Jury:**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 30,300

**Paid by the State of Louisiana:**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 50,000

**Paid by Bossier Parish Police Jury:**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 33,240

# COOK & MOREHART

*Certified Public Accountants*

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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Sixth Judicial District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Sixth Judicial District's basic financial statements, and have issued our report thereon dated June 29, 2018.

### Internal Control over Financial Reporting

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

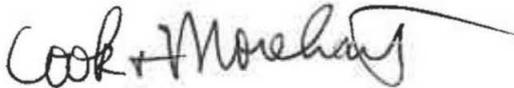
As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Sixth Judicial District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of current year audit findings as item 2017-01.

### District Attorney of the Twenty-Sixth Judicial District's Response to Finding

The District Attorney of the Twenty-Sixth Judicial District's response to the finding identified in our audit is described in the accompanying schedule of current year audit findings. The District Attorney of the Twenty-Sixth Judicial District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of 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.



Cook & Morehart  
Certified Public Accountants  
June 29, 2018

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana  
Schedule of Audit Findings for Louisiana Legislative Auditor  
For the Year Ended December 31, 2017

**Summary Schedule of Prior Year Audit Findings**

There were no findings for the prior year audit for the year ended December 31, 2016.

**Current Year Audit Findings**

There is one finding for the current year audit for the year ended December 31, 2017, as follows:

<b>Reference No.:</b>	<b>2017-01</b>
<b>Criteria:</b>	Fiscal agency and cash management laws require that the amount of security, at financial institutions, shall at all times be equal to 100% of the collected funds on deposit.
<b>Condition</b>	The District Attorney's bank account at one financial institution was not secured in accordance with state laws in the amount of \$18,346.
<b>Effect:</b>	The District Attorney was not in compliance with fiscal agency and cash management laws.
<b>Recommendation:</b>	We recommend that the District Attorney comply with fiscal agency and cash management laws
<b>Corrective Action Planned:</b>	The District Attorney will comply with fiscal agency and cash management laws. The District Attorney has instructed the one financial institution to secure collected funds at all times in accordance with state laws. As of June 18, 2018, all funds at that institution are collateralized.

# COOK & MOREHART

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## Independent Accountants' Report on Applying Agreed-Upon Procedures

District Attorney of the Twenty-Sixth Judicial District  
Parishes of Bossier and Webster, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Twenty-Sixth Judicial District and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The District Attorney of the Twenty-Sixth Judicial District's (District Attorney) 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The District Attorney provided written policies and procedures addressing all of the above.

**Board (or Finance Committee, if applicable)**

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The District Attorney is an independently elected official and is not required to have board or finance committee meetings.

**Bank Reconciliations**

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

Management provided the requested information, along with management's representation that the listing is complete.
- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for each month examined.

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

There was evidence of management review of bank reconciliations.

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

*Exception:* There was no documentation reflecting that management had researched items outstanding for more than six (6) months.

*Management's Response:* Management began a process in 2018 to research outstanding items greater than six (6) months.

### **Collections**

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

Management provided the requested information, along with management's representation that the listing is complete

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

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

Each person responsible for collecting cash was insured under the District Attorney's blanket crime insurance policy. Each person responsible for collecting cash was not responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank account.

*Exception:* One employee that occasionally makes collections, also prepares – makes deposits.

*Management's Response:* All collection processes are reviewed by management on a current basis.

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

The District Attorney has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections in the cash collection location selected.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the

deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

For the week selected, deposits were processed within one day of collection.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

For the week selected, daily cash collections were completely supported by collection documentation.

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

The District Attorney has a process specifically defined to determine completeness of collections by a person who is not responsible for collections.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

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

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

*Exception:* The District Attorney does not have a formal purchase order system. All purchases are approved by management.

*Management's Response:* It is the District Attorney's policy for all purchases to be approved by the District Attorney, First Assistant District Attorney or the Fiscal Officer.

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

*Exception.* The District Attorney does not have a formal purchase order system. All purchases are approved by management.

*Management's Response:* It is the District Attorney's policy for all purchases to be approved by management.

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

Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice, except as noted below.

*Exception:* The District Attorney does not have a formal purchase order system. All purchases are approved by management. All purchases were supported by approved invoices. There were no transactions tested that would have required a receiving report.

*Management's Response:* It is the District Attorney's policy for all purchases to be supported by approved invoices. All purchases are approved by management.

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

*Exception.* The person responsible for processing payments also adds vendors to the disbursement system.

*Management's Response:* It is the District Attorney's policy for all disbursements to be approved by management.

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

*Exception:* The District Attorney, which has signatory authority or can make the final authorization for disbursements, can initiate but not record purchases.

*Management's Response:* The accounting personnel of the District Attorney's office records all purchases which are reviewed by the Fiscal Officer.

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

The supply of unused checks is maintained in a locked location with access restricted to those persons that do not have signatory authority.

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

The District Attorney does not use a signature stamp or signature machine

*Exception:* After signatures are obtained the checks are mailed out by the accounting specialist of the District Attorney's office.

*Management's Response:* All checks require two signatures. All disbursements are approved by management.

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

Management provided the requested information, along with management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

For the items tested there was evidence that supporting documentation was reviewed and approved by someone other than the authorized card holder.

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

There were no finance charges or late fees assessed on the cards selected for testing.

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

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

*Exception:* For the items tested, there were 12 transactions, totaling \$563.43, that did not have original itemized receipts.

*Management's Response:* The 12 transactions represent gas charges. Original receipts are not maintained on gas charges. All charges are reviewed and approved by management before payment.

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

*Exception:* For 22 of the 33 transactions tested there was no business purpose noted on the receipts.

*Management's Response:* All charges are reviewed and approved by management before payment.

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

No other documentation is required by the District Attorney's written credit card policy

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

We compared each transaction tested to the District Attorney's written policies and public bid law. There were no exceptions noted.

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

The District Attorney's documentation met the requirements of Article 7, Section 14.

#### ***Travel and Expense Reimbursement***

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

Management provided the requested information, along with management's representation that the listing is complete.

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

The rates established in the District Attorney's policy do not exceed the GSA per diem or mileage rates.

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

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

The reimbursements selected were supported with documentation in accordance with District Attorney's written policies.

- b) Report whether each expense is supported by:

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

Expenses selected for testing contained receipts listing precisely what was purchased

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

The business purpose was documented on each invoice selected for testing.

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

Other documentation as required by the District Attorney's written policy was attached to items selected for testing.

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

The District Attorney's documentation met the requirements of Article 7, Section 14.

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

For each expense selected for testing, the expense and related documentation was reviewed and approved in writing by someone other than the person receiving reimbursement.

### **Contracts**

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

Management provided the requested information, along with management's representation that the listing is complete.

There was only one contract during the fiscal period.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

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

There was a formal, written contract supporting the one contract and the amounts paid for the contract selected for testing.

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

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

The contract selected was not subject to the Louisiana Public Bid Law or Procurement Code.

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

*Exception:* The District Attorney did not solicit quotes.

*Management's Response:* The contract selected for testing was for one office space lease.

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

The contract selected for testing was not amended during the testing period.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The largest payment selected for testing from the vendor contract was supported by invoices that agreed with the terms of the contract.

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

The contract selected for testing was approved by the District Attorney.

### ***Payroll and Personnel***

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

Management provided the requested information, along with management's representation that the listing is complete.

Randomly select five employees/officials, obtain their personnel files, and:

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

Payments were made in accordance with terms of approved pay rates.

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

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with the District Attorney's written policy.

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

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

For the transactions selected for testing, daily attendance and leave records were documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Transactions selected for testing, written documentation was provided for leave records of the selected employees.

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

Termination payments were made in strict accordance with the District Attorney's policy.

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

Payments made for payroll taxes and retirement contributions, as well as the required forms, were submitted to the applicable agencies by the required deadlines.

#### ***Ethics (excluding nonprofits)***

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

The District Attorney maintained documentation to demonstrate that required ethics training was completed

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

There were no alleged ethics violations reported to management.

#### ***Debt Service (excluding nonprofits)***

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

The District Attorney did not issue any new debt during the current fiscal year.

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

The District Attorney has no outstanding debt.

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

Not applicable.

**Other**

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

Management is not aware of any misappropriation of public funds or assets.

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

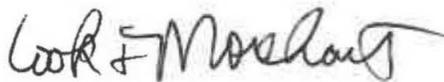
The District Attorney has posted on its premises and website the notice required by R.S. 24:523.1.

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

We have not observed or identified any exceptions regarding management's representations in the above procedures.

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.



Cook & Morehart  
Certified Public Accountants  
June 29, 2018