

**District Attorney of the
Ninth Judicial District
Rapides Parish, Louisiana
December 31, 2018**

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
December 31, 2018**

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Independent Auditor's Report

The Honorable J. Phillip Terrell, Jr.
District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Ninth Judicial District, Rapides Parish, Louisiana, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District Attorney of the Ninth Judicial District as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Ninth Judicial District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the

basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the District Attorney of the Ninth 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 Ninth 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 Ninth Judicial District's internal control over financial reporting and compliance.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana
June 25, 2019

Basic Financial Statements

**Government-Wide
Financial Statements**

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Statement of Net Position
Governmental Activities
December 31, 2018**

Exhibit A

Assets

Cash		\$ 700,965
Certificate of deposit		250,690
Receivables		228,697
Capital assets, net of depreciation		
Non-depreciable		
Land and improvements	\$ 21,492	
Depreciable		
Buildings and improvements	244,843	
Equipment and furniture	54,462	
Vehicles	147,551	468,348
Total assets		<u>1,648,700</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflow amounts related to pension liability		<u>1,035,544</u>
---	--	------------------

Liabilities

Accounts payable		107,344
Compensated absences		117,552
Pension liability		<u>567,198</u>
Total liabilities		<u>792,094</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflow amounts related to pension liability		<u>957,597</u>
--	--	----------------

Net Position

Net investment in capital assets		468,348
Unrestricted		<u>466,205</u>
Total net position		<u><u>\$ 934,553</u></u>

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

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Statement of Activities
Governmental Activities
Year Ended December 31, 2018**

Exhibit B

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
General government-judicial	\$ 6,177,078	\$ 2,984,238	\$ 2,917,981	\$ (274,859)
General government-Special Victims	142,899	135,412	-	(7,487)
General government-judicial-Title IV-D	742,175	-	766,467	24,292
Total governmental activities	\$ 7,062,152	\$ 3,119,650	\$ 3,684,448	(258,054)
General revenues				
Investment earnings				878
Total general revenues				878
Change in net position				(257,176)
Net position, beginning of year				1,191,729
Net position, end of year				\$ 934,553

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

Fund Financial Statements

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Balance Sheet
Governmental Funds
December 31, 2018**

Exhibit C

	<u>General Fund</u>	<u>Special Victims Fund</u>	<u>Title IV-D Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 679,700	\$ 5,294	\$ 15,971	\$ 700,965
Certificate of deposit	250,690	-	-	250,690
Receivables	39,574	21,133	157,865	218,572
Interfund receivable	220,735	-	-	220,735
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,190,699</u>	<u>\$ 26,427</u>	<u>\$ 173,836</u>	<u>\$ 1,390,962</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 107,344	\$ -	\$ -	\$ 107,344
Interfund payables	-	36,803	173,807	210,610
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	107,344	36,803	173,807	317,954
Fund balances				
Spendable				
Restricted				
Special Victims	-	(10,376)	-	(10,376)
Title IV-D	-	-	29	29
Unassigned	1,083,355	-	-	1,083,355
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	1,083,355	(10,376)	29	1,073,008
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 1,190,699</u>	<u>\$ 26,427</u>	<u>\$ 173,836</u>	<u>\$ 1,390,962</u>

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

**District Attorney of the Ninth Judicial District
 Rapides Parish, Louisiana
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 Year End December 31, 2018**

Exhibit D

Total Fund Balances-Governmental Funds \$ 1,073,008

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not report in the fund financial statements but are reported in the governmental activities of the Statement of Net Position. 468,348

Some liabilities (such as long-term compensated absences and pension liability) are not due and payable in the current period and are not included in the fund financial statements but are included in the government activities of the Statement of Net Position. (684,750)

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. These deferrals reported on the Statement of Net Position consist of:

Deferred outflows of resources related to pension liability	1,035,544	
Deferred inflows of resources related to pension liability	<u>(957,597)</u>	<u>77,947</u>

Net position of governmental activities in the statement of net position \$ 934,553

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2018**

Exhibit E

	<u>General Fund</u>	<u>Special Victims Fund</u>	<u>Title IV-D Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental	\$ 2,830,106	\$ 135,412	\$ 766,467	\$ 3,731,985
Fees, commissions, and fines	2,994,992	-	-	2,994,992
Charges for services	56,895	-	-	56,895
Rentals, leases, and royalties	36,000	-	-	36,000
Miscellaneous	1,942	-	-	1,942
Investment earnings	789	60	29	878
Total revenues	<u>5,920,724</u>	<u>135,472</u>	<u>766,496</u>	<u>6,822,692</u>
Expenditures				
Current				
General government-judicial	5,953,601	-	-	5,953,601
General government-special victims	-	172,488	-	172,488
General government-judicial-Title IV-D	-	-	766,467	766,467
Capital outlay	-	2,948	-	2,948
Total expenditures	<u>5,953,601</u>	<u>175,436</u>	<u>766,467</u>	<u>6,895,504</u>
Excess (deficiency) of revenues over expenditures	(32,877)	(39,964)	29	(72,812)
Other financing sources (uses)				
Transfers out	(29,588)	-	-	(29,588)
Transfers in	-	29,588	-	29,588
Total other financing sources (uses)	<u>(29,588)</u>	<u>29,588</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(62,465)	(10,376)	29	(72,812)
Fund balances, beginning of year	<u>1,145,820</u>	<u>-</u>	<u>-</u>	<u>1,145,820</u>
Fund balances, end of year	<u>\$ 1,083,355</u>	<u>\$ (10,376)</u>	<u>\$ 29</u>	<u>\$ 1,073,008</u>

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

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2018**

Exhibit F

Net change in fund balances-total governmental funds \$ (72,812)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as an expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays exceeded depreciation expense in the current period. (82,205)

Governmental funds report expenditures for compensated absences (vacation and sick leave) as the amounts are actually paid. In contrast, the statement of activities recognizes these operating expenses as the amounts are earned during the year. This is the (increase) decrease in vacation and sick leave accrued. (12,688)

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 governmental funds. These expenditures are as follows

Net pension cost (89,471)

Change in net position of governmental activities \$ (257,176)

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

**District Attorney of the Ninth Judicial District
 Rapides Parish, Louisiana
 Statement of Assets and Liabilities
 Fiduciary Funds
 December 31, 2018**

Exhibit G

	Assets	<u>Agency Funds</u>
Cash		\$ 645,202
Seized vehicles		130,151
Seized jewelry and other seized assets		<u>1,107</u>
 Total assets		 <u>\$ 776,460</u>
	Liabilities	
Interfund payables		\$ 10,125
Amount held for others		<u>766,335</u>
 Total liabilities		 <u>\$ 776,460</u>

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

Notes to Basic Financial Statements

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
December 31, 2018**

Notes to Basic Financial Statements

1. *Reporting Entity and Significant Accounting Policies*

The financial statements of the District Attorney of the Ninth Judicial District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant District Attorney's accounting policies are described below.

Reporting Entity

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

In evaluating how to define the District Attorney for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are as follows: (1) the capacity for the organization to have its own name; (2) the right for the organization to sue and be sued in its own name without recourse to the primary government; and (3) the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to be considered "financially accountable" include the following: (1) appointment of a voting majority of the organization's governing body; (2) ability for the primary government to impose its will on the organization; (3) whether the organization has the potential to provide specific financial benefits to or improve specific financial burdens on the primary government; and (4) fiscal dependence of the organization. Based upon the application of these criteria, there are no component units of the District Attorney.

The District Attorney of the Ninth Judicial District is a part of the district court system of the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. The District Attorney does, however, rely upon the Rapides Parish Police Jury for facility space and certain other costs. Therefore, under GAAP and guidelines issued by the Louisiana Legislative Auditor, the

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
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Notes to Basic Financial Statements

District Attorney is considered a component unit of the Rapides Parish Police Jury. This report only includes all funds that are controlled by or dependent upon the District Attorney of the Ninth Judicial District.

Basis of Presentation

The District Attorney's Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the District Attorney as a whole.

Fiduciary activities are not included at the government-wide reporting level. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities of Fiduciary Funds at the Fund Financial Statement level. Individual funds are not displayed. The Statement of Assets and Liabilities presents the financial position of the governmental activities at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District Attorney's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The District Attorney does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. Program revenues include the following: charges for services which report fees and other charges to users of the District Attorney's services; operating grants and contributions that are restricted to meeting the operational activities of a function; and capital grants and contributions which fund the acquisition of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include interest and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District Attorney.

Fund Financial Statements - The financial transactions of the District Attorney are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that

**District Attorney of the Ninth Judicial District
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Notes to Basic Financial Statements

include its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with legal and contractual provisions.

Funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate “fund types.” The following fund types are used by the District Attorney’s office:

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds). The Fund Financial Statements report financial information by major funds and non-major funds. However, there are no non-major funds at this time. The following Governmental Funds are considered major funds:

General Fund—The General Fund is used to account for the twelve percent (12%) commission on fines collected, the thirty percent (30%) commission on bonds forfeited, the twenty percent (20%) commission on forfeited assets, the twenty-five percent (25%) commission from the Louisiana Commissioner of Insurance, the commission on court costs, certain grants not accounted for in a special revenue fund, legal fees received from other governmental units, fees for collection on worthless checks, and pretrial intervention income, and to account for resources traditionally associated with the District Attorney which are not required to be accounted for in another fund.

Title IV-D Fund—Special Revenue Fund—The Title IV-D is used to account for expenditure and subsequent receipt of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975 to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of this fund is to account for the operations in enforcement of the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Fiduciary Funds—Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The District Attorney accounts for its agency funds in this category. Agency funds consist of the Restitution Fund, Worthless Checks Fund, Special Asset Forfeiture Trust Fund, and the Bond Forfeiture Fund. They consist of monies deposited for restitution to victims of certain crimes, payment of worthless checks, money and property seized in illegal activities, and forfeited bonds. Disbursements from the various funds are made to the appropriate agencies, litigants, merchants, and others as prescribed by the statute.

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
December 31, 2018**

Notes to Basic Financial Statements

Basis of Accounting / Measurement Focus

Government-Wide Financial Statements

The Government-Wide Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenditures are recognized when incurred.

Fund Financial Statements

Governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the Government-Wide statements and the statements for governmental funds.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

Fund Financial Statements report detailed information about the District Attorney's office. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

“Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District Attorney considers all revenue available if they are collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which has not matured, are recognized when paid.

**District Attorney of the Ninth Judicial District
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Notes to Basic Financial Statements

Fiduciary Funds

The District Attorney has four agency funds. Unlike other types of funds, agency funds report only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus; however, they use the modified accrual basis of accounting to recognize receivables and payables.

Budgets

Budgets are adopted on the cash basis of accounting for the General Fund and Title IV-D Fund. Adjustments necessary to convert the budget information to the modified accrual basis are considered immaterial. On-behalf payments for salaries and related benefits paid by the State of Louisiana and the Rapides Parish Police Jury are not included in the reported budget for the General Fund. All annual appropriations lapse at year-end.

The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District Attorney prepares a proposed budget no later than fifteen days prior to the beginning of each fiscal year.
2. A public notice is published notifying the public that a public hearing will be held for the purpose of adopting the budget.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgets are controlled at the fund level. Budgeted amounts shown in the financial statements are as originally adopted or as amended from time to time by the District Attorney.

Cash

Cash includes amounts on hand as well as amounts in demand deposits and interest-bearing demand deposits. Under state law, the District Attorney may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with

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Notes to Basic Financial Statements

banks organized under Louisiana law, or any other state in the United States of America or under the laws of the United States of America.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all receivables at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Short-term Interfund Receivables/Payables

Short-term interfund loans are classified as “interfund receivables/payables”. The governmental funds interfund receivables/payables are eliminated for reporting in the Statement of Net Position.

Capital Assets

In the Government-Wide Financial Statements, capital assets are valued at historical cost or estimated cost if historical cost is not known. Donated assets, if any, are valued at estimated fair market value on date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized. A capitalization threshold of \$1,000 has been adopted for reporting purposes. Capital assets are depreciated on a straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Equipment and furniture	3-12 years
Vehicles	5 years

Capital assets provided by the Rapides Parish Police Jury are not recorded on the financial statements of the District Attorney.

In the Fund Financial Statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds. No provision is made for depreciation on capital assets in the fund Financial Statements since the full cost is expensed at the time of purchase.

Compensated Absences

Full-time employees of the District Attorney earn 15 days of annual leave and 18 days of sick leave each year. Annual leave can be accumulated and carried over up to a maximum of

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Notes to Basic Financial Statements

20 days. Accumulated sick leave cannot exceed 180 days. Upon termination of retirement, all accumulated sick leave lapses while accumulated annual leave is paid, not to exceed 25 days. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Vested or accumulated leave is accrued in the period the liability is incurred. Compensated absences expected to be financed from governmental funds are not reported in the balance sheet of the Fund Financial Statements; however, compensated absences are reported in the Statement of Net Position in the Government-Wide Financial Statements. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

Net Position

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where the District Attorney receives restricted and unrestricted monies for the same purpose, the restricted monies are used first.

Fund Equity

As of December 31, 2018, fund balances of the governmental funds are classified as follows:

Non-spendable—amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted—amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulation of other governments.

Committed—amounts that can be used only for specific purposes determined by a formal action of the District Attorney. The District Attorney is the highest level of decision making authority. Commitments may be established, modified, or rescinded only through resolutions approved by the District Attorney. There are no committed fund balances at December 31, 2018.

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Assigned—amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District Attorney of the Ninth Judicial District’s policy, only the District Attorney may assign amounts for specific purposes.

Unassigned—all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District Attorney considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in his commitment of assignment actions.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Interfund balances are eliminated in the Government-Wide Financial Statements.

On-Behalf Payments

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

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Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirements System, and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

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

2. *Cash and Certificate of Deposit*

At December 31, 2018, the District Attorney had cash and a certificate of deposit as follows:

Cash—Governmental Funds	\$ 951,655
Cash—Fiduciary Funds	<u>645,202</u>
	\$ 1,596,857

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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 agent bank.

Custodial credit risk is the risk that in the event of a bank failure, the District Attorney's deposits may not be returned. As of December 31, 2018, the District Attorney's bank balance of \$1,685,505 was not exposed to custodial credit risk in that \$750,000 was secured by federal deposit insurance and \$1,362,726 was collateralized by securities held by the pledging banks in the District Attorney's name.

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3. *Receivables*

Grants	\$ 181,498
Due from other governmental entities	37,074
Due from Agency Funds	<u>10,125</u>
	\$ 228,697

4. *Interfund Receivables/Payables*

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	IV-D Funds	\$ 173,807
General Fund	Special Victims Division	36,803
	Agency Funds	
General Fund	Restitution Fund	9,643
General Fund	Worthless Checks Fund	109
General Fund	Bond Forfeiture Fund	<u>373</u>
		\$ 220,735

Balances at year-end result from routine timing differences between the dates that receipts are incurred and reimbursements are made from the General Fund to the Title IV-D Fund and from the various Fiduciary Funds.

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5. Capital Assets

	January 1, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	December 31, <u>2018</u>
Governmental activities				
Capital assets not being depreciated				
Land and improvements	\$ 21,492	\$ -	\$ -	\$ 21,492
Other capital assets				
Building and improvements	459,707	-	-	459,707
Equipment and furniture	153,687	2,948	-	156,635
Vehicles	<u>373,952</u>	<u>-</u>	<u>-</u>	<u>373,952</u>
Total other capital assets	987,346	2,948	-	990,294
Less				
Accumulated depreciation				
Buildings and improvements	203,303	11,561	-	214,864
Equipment and furniture	88,738	13,435	-	102,173
Vehicles	<u>166,245</u>	<u>60,156</u>	<u>-</u>	<u>226,401</u>
Total accumulated depreciation	<u>458,286</u>	<u>85,152</u>	<u>-</u>	<u>543,438</u>
Other capital assets, net	<u>529,060</u>	<u>(82,204)</u>	<u>-</u>	<u>446,856</u>
Capital assets, net	\$ 550,552	\$ (82,204)	\$ -	\$ 468,348

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government – Judicial	\$ 70,923
General government – Special Victims Division	2,518
General government – Judicial – Title IV – D	<u>11,711</u>
Total depreciation expense for governmental activities	\$ 85,152

6. Compensated Absences

	Compensated <u>Absences</u>
Balance, beginning of year	\$ 104,864
Additions	102,423
Deductions	<u>(89,735)</u>
Balance, end of year	\$ 117,552
Due within one year	\$ 117,552

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7. *Lease and Rental Commitments*

The General fund charges rent to the Title IV-D Fund on a monthly basis for their use of facility space. The Title IV-D Fund paid \$3,000 per month during the year ended December 31, 2018. This transaction is eliminated in the Government-Wide Financial Statements.

The District Attorney entered into an operating lease for three Canon copiers on May 31, 2017. The lease agreement expires on May 31, 2022 and has a monthly lease payment of \$858. Total equipment lease expense for 2018 was \$10,296.

Under the terms of the operating lease at December 31, 2018, future minimum lease payment requirements are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 10,296
2020	10,296
2021	10,296
2022	5,148

8. *Defined Benefit Pension Plans*

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorneys' Retirement System. All other employees of the District Attorney are members of the Parochial Employees' Retirement System of Louisiana, Plan A. These retirement systems are statewide cost sharing, multiple-employer defined benefit public employee retirement systems and are controlled and administered by separate boards of trustees.

The District Attorney implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the District Attorney to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures:

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Plan Descriptions

Louisiana District Attorneys' Retirement System

Eligibility

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment, and all district attorneys, are required to participate in the System.

Members who joined the System before July 1, 1990

For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions are eligible to receive a normal retirement benefit equal to 3% of the member's average final compensation for each year of creditable service multiplied by the years of membership service if they:

- have 10 or more years of creditable service and are at least age 62
- have 18 or more years of creditable service and are at least age 60
- have 23 or more years of creditable service and are at least age 55
- have 30 or more years of creditable service and are any age

Members are eligible for early retirement if they:

- have 10 or more years of creditable service and are at least age 60
- have 18 years or more of creditable service and are at least age 55

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

For member 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 of 3.5% of the member's final average compensation multiplied by years of membership service if they:

- have 10 or more years of creditable service and are at least age 60
- have 24 or more years of creditable service and are at least age 55

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- have 30 or more years of creditable service at any age

Members are eligible for early retirement if they:

- have 18 or more years of creditable service and are at least age 55

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

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

Death benefits

Upon the death of a member with less than 5 years of creditable services, 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.

Withdrawal from service

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.

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Cost of living increases

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. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Back-DROP

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

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

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 one half of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits

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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.

Benefits and contribution rates

Benefits and contribution rates are established and may be amended by state law. The employer contribution rates are determined by actuarial valuation and are subject to change based on the results of the actuarial valuation.

Plan members are required by state law to contribute eight percent (8%) of their annual covered salary. The employer contribution rate for the period January 1, 2018 through June, 30, 2018 was zero percent and for the period July 1, 2018 through December 31, 2018 was 1.25%. The District Attorney's contributions for the year ended December 31, 2018 totaled \$9,013.

The District Attorneys' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the District Attorneys' Retirement system. That report may be obtained by writing to District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, LA 70802-8143.

Parochial Employees' Retirement System of Louisiana, Plan A

Eligibility

Substantially all other employees of the District Attorney are members of the Parochial Employees' Retirement System of Louisiana, Plan A. All permanent employees who work at least 28 hours per week are required to become members on the date of employment, with limited defined exceptions.

Retirement Benefits

The retirement allowance is equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary.

Any employee who was a member of the supplemental plan only prior to the revision date (January 1, 1980) has the benefit earned for service credited prior to the revision date on the

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basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed one hundred percent of a member's final salary of the final average compensation.

Eligibility Provisions for Active Members Hired Prior to January 1, 2007:

7 years and age 65
10 years and age 60
25 years and age 55
30 years and any age

Eligibility Provisions for Active Members Hired January 1, 2007 and later:

7 years and age 67
10 years and age 62
30 years and age 55

Seven years of service credit is required to be eligible for a normal retirement benefit at age 65 if the member was an active member of either Plan on December 31, 2006. For employees hired January 1, 2007 and later, vesting occurs with seven years of service credit; however, these members must attain age 67 before becoming eligible for normal retirement. Eligibility to actually begin receiving benefits is a function of fulfilling the eligibility provisions of age and service.

Deferred Retirement Option Plan

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

In lieu of terminating employment and accepting a service retirement, any member 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 monthly 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

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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 the self-directed 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 or other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Death and Disability Benefits

A member in Plan A 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 and 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 the Plan 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. 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.

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Contribution Rates

Covered employees are required to contribute 9.35 % of their salary to this Plan while the employer contributed 12.5% during 2017. The District Attorney’s contributions for the year ended December 31, 2018 totaled \$185,453.

The Parochial Employees’ Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Parochial Employees’ Retirement System, Plan A. That report may be obtained by writing to Parochial Employees’ Retirement System, P.O. Box 14619, Baton Rouge, LA 70898-4619.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources

The following schedule lists the District’s proportionate share of the Net Pension Liability allocated by each of the pension plans as of the respective measurement dates for each plan. The District Attorney uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2018, in accordance with GASB 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement dates along with the change compared to the immediately prior measurement date. The District Attorney’s proportion of the net pension liability was based on a projection of the District Attorney’s long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined.

		Net Pension		
	Measurement	Asset (Liability)	Rate at	Increase
	<u>Date</u>	at Measurement	Measurement	(Decrease) to
		<u>Date</u>	<u>Date</u>	<u>Prior Year Rate</u>
DARS	June 30, 2018	\$ (746,107)	2.318602%	0.26697%
PERS	December 31, 2017	178,909	0.241037%	(0.02044%)

The recognized pension expense for each plan is as follows:

DARS	\$ 112,319
PERS	<u>(22,848)</u>
Total	\$ 89,471

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The district reported deferred outflows of resources and deferred inflows of resources related to the pension plan as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion	\$ 94,603	\$ (270,864)
Changes in assumptions	678,373	(49,202)
Differences between expected and actual experience	4,007	(224,199)
Net difference between projected and actual earnings on pension plan investments	64,095	(413,332)
District Attorney contributions subsequent to the measurement date	<u>194,466</u>	<u>-</u>
Total	\$ 1,035,544	\$ (957,597)

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
DARS	\$ 610,719	\$(348,516)
PERS	<u>424,825</u>	<u>(609,081)</u>
	\$ 1,035,544	\$(957,597)

The District Attorney reported a total of \$194,466 as deferred outflows of resources related to pension contributions made subsequent to the measurement date which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2019. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

DARS	\$ 9,013
PERS	<u>185,453</u>
Total	\$ 194,466

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

Deferral Period	<u>DARS</u>	<u>PERS</u>	<u>Total</u>
2018	\$ 129,112	\$ (14,696)	\$ 114,416
2019	59,726	(68,897)	(9,171)
2020	(1,019)	(122,295)	(123,314)
2021	10,556	(163,822)	(153,266)
2022	<u>54,816</u>	<u>-</u>	<u>54,816</u>
Totals	\$ 253,191	\$ (369,710)	\$ (116,519)

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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of the measurement period for each plan are as follows:

	<u>PERS</u>	<u>DARS</u>
Valuation Date	December 31, 2017	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining		
Service Lives	4 years	6 years
Investment Rate	6.75% net of expenses	6.50% net of expenses
of Return		
Inflation Rate	2.50% per annum	2.40% per annum
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using scale Assistance was selected for employee, annuitant, and beneficiaries. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.
Salary Increases	5.25%	5.50%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	Only those previously granted

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Notes to Basic Financial Statements

Rate of return

The methods used by the retirement plans in determining the long-term rate of return on pension plan investments are as follows:

PERS

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 7.62% for the year ended December 31, 2017.

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, 2017 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%	3.57%
Alternatives	11%	.69%
Real assets	<u>2%</u>	<u>.12%</u>
Totals	<u>100%</u>	<u>5.62%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.62%</u>

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DARS

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.45% for the year ended June 30, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Fixed income	61.72%	10.82%	
Equity	28.95%	6.36%	
Alternatives	8.85%	10.50%	
Cash	<u>.48%</u>	0.50%	
Totals (Nominal)	<u>100.00%</u>		6.95%
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>9.45%</u>

Discount rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan'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. The discount rate used to measure the total pension liability for PERS and DARS was 6.75% and 6.50% respectively for the measurement period years ended December 31, 2017 and June 30, 2018.

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Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District Attorney's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the District Attorney's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
DARS			
Rates	5.50%	6.50%	7.50%
District's Share of NPL	\$ 2,008,844	\$ 746,107	\$ (328,149)
PERS			
Rates	5.75%	6.75%	7.75%
District's Share of NPL	\$ 882,087	\$ (178,909)	\$ (1,123,657)

Special Funding Situation

A special funding situation is defined as circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan.

Louisiana Revised Statute 16:10-11 stipulates that certain salary amounts for District Attorneys (DAs) and Assistant District Attorneys (ADAs) are payable by the State of Louisiana (State). Further, the total employer contributions allocable to that portion of the respective DAs and ADAs salaries are paid directly to DARS by the State. The State's proportionate share of the collective net pension liability of DARS associated with the District Attorney is \$95,188. This allocated share of the State's net pension liability is not recognized in the District Attorney's net pension liability.

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
December 31, 2018**

Notes to Basic Financial Statements

9. *On-Behalf Payments*

Rapides Parish Police Jury General Fund	\$ 743,225
Rapides Parish Police Jury Criminal Court Fund	1,348,429
State of Louisiana	<u>738,452</u>
	\$ 2,830,106

10. *Expenditures of the District Attorney Not Included in the Financial Statements*

The accompanying financial statements do not include certain other expenditures paid by the Rapides Parish Police Jury General Fund and Criminal Court Fund. These expenditures are summarized as follows:

Criminal appeals	\$ 2,850
------------------	----------

11. *Risk Management*

The District Attorney is exposed to various risks of loss related to torts, theft, or damage and destruction of assets. The District Attorney carries insurance coverage on the Title IV-D building, and the Rapides Parish Police Jury carries commercial insurance coverage on other assets. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

12. *Contingent Liabilities*

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, could become a liability of the District Attorney of the Ninth Judicial District. The District Attorney's management believes disallowances, if any, will not be material.

Several assistant district attorneys have been named as defendants in various legal actions, the results of which are not presently determinable. The amount of losses, if any, that may arise from these suits cannot be reasonably estimated. However, in the opinion of management, the amount of losses, if any, would not materially affect the District Attorney's financial position. No provision for losses is included in the financial statements.

Required Supplementary Information

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2018**

Schedule H

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive
	Original	Final	(See Note A)	(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees, commissions, and fines	2,383,100	2,856,300	2,994,992	138,692
Charges for service	65,000	126,800	56,895	(69,905)
Rentals, leases, and royalties	36,000	36,000	36,000	-
Grants	80,000	-	-	-
Investment earnings	260	350	789	439
Miscellaneous	33,000	33,500	1,942	(31,558)
Total Revenues	2,597,360	3,052,950	3,090,618	37,668
Expenditures				
Current				
General government-judicial	2,802,360	3,125,400	3,123,495	(1,905)
Capital outlay	95,000	2,500	-	(2,500)
Total expenditures	2,897,360	3,127,900	3,123,495	(4,405)
Excess of revenues over expenditures	(300,000)	(74,950)	(32,877)	42,073
Other financing sources				
Transfers in	-	-	-	-
Transfers out	(200,000)	(35,000)	(29,588)	5,412
Total other financing sources	(200,000)	(35,000)	(29,588)	5,412
Net change in fund balances	(500,000)	(109,950)	(62,465)	47,485
Fund balances, beginning of year	1,145,821	1,145,820	1,145,820	-
Fund balances, end of year	\$ 645,821	\$ 1,035,870	\$ 1,083,355	\$ 47,485

Note A-Explanation of difference between revenues, expenditures and other financing sources (uses) for the general fund on a budgetary basis (Schedule H) and General Fund on a GAAP basis (Exhibit E).

Revenues

Actual (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 3,090,618
Adjustments:	
The district attorney does not budget for on-behalf support provided by the State of Louisiana and the Rapides Parish Police Jury	2,830,106
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances	\$ 5,920,724

Expenditures

Actual (budgetary basis) "expenditures" from the budgetary comparison schedule	\$ 3,123,495
Adjustments:	
The district attorney does not budget for on-behalf salaries and related benefits paid directly by the State of Louisiana and the Rapides Parish Police Jury	2,830,106
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances	\$ 5,953,601

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

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Budgetary Comparison Schedule
Title IV-D Fund
Year Ended December 31, 2018**

	<u>Budgeted Amounts</u>			<i>Schedule I</i>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental	\$ 755,500	\$ 755,500	\$ 766,467	\$ 10,967
Investment earnings	-	-	29	29
Total revenues	<u>755,500</u>	<u>755,500</u>	<u>766,496</u>	<u>10,996</u>
Expenditures				
Current				
General government-judicial-Title IV-D	753,000	753,000	766,467	13,467
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total expenditures	<u>755,500</u>	<u>755,500</u>	<u>766,467</u>	<u>10,967</u>
Excess of revenues over expenditures	-	-	29	29
Other financing uses				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	29	29
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 29</u>

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

District Attorney of the Ninth Judicial District
Schedules of Required Supplementary Information - Pension
District Attorneys' Retirement System
Year ended December 31, 2018

Schedule J

**Schedule of the Employer's Proportionate Share
of the Net Pension Liability**

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	2.31860%	\$ 746,107	\$ 1,744,664	43%	92.9%
2017	2.05163%	553,369	1,870,516	30%	93.6%
2016	2.46700%	472,202	1,861,630	25%	95.0%
2015	2.05562%	110,727	1,833,675	6%	98.5%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Schedule of Employer Contributions

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2018	\$ 9,013	\$ 9,013	\$ -	\$ 1,744,664	0.5%
2017	60,201	60,201	-	1,870,516	3.2%
2016	92,458	92,458	-	1,861,630	5.0%
2015	126,133	126,133	-	1,833,675	6.9%

*Amounts presented were determined as of the end of the fiscal year.

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2018

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2018

District Attorney of the Ninth Judicial District
Schedules of Required Supplementary Information - Pension
Parochial Employees' Retirement System
Year ended December 31, 2018

Schedule K

**Schedule of the Employer's Proportionate Share
of the Net Pension Liability**

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.24104%	\$ (178,909)	\$ 1,555,880	-11%	102.0%
2017	0.26148%	538,512	1,635,875	33%	94.1%
2016	0.21614%	568,937	1,428,654	40%	92.2%
2015	0.13525%	36,979	1,418,845	3%	99.1%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Schedule of Employer Contributions

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2018	\$ 185,453	\$ 185,453	\$ -	\$ 1,555,880	11.9%
2017	201,590	201,590	-	1,635,875	12.3%
2016	179,691	179,691	-	1,428,654	12.6%
2015	197,338	197,338	-	1,418,845	13.9%

*Amounts presented were determined as of the end of the fiscal year.

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2018

Changes of Assumptions

There were no changes of benefit assumptions for the year ended December 31, 2018

Supplementary Information

**District Attorney of the Ninth Judicial District
 Rapides Parish, Louisiana
 Schedule of Compensation, Benefits and Other Payments to
 Agency Head or Chief Executive Officer
 Year Ended December 31, 2018**

Schedule L

Agency Head Name: J. Phillip Terrell, Jr.

	Purpose	Amount
Salary		\$ 164,079
Benefits-insurance		-
Benefits-retirement		618
Benefits-other		-
Car allowance		-
Vehicle provided by government		6,750
Per diem		992
Reimbursements		1,441
Travel		-
Registration fees		90
Conference travel		305
Housing		-
Unvouchered expenses		-
Special meals		757
Other		<u>1,640</u>
 Total		 <u>\$ 176,672</u>

See independent auditor's report.

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018**

Schedule M

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amount Expended
U.S. Department of Health and Human Services			
Administration for Children and Families			
Passed-through the State of Louisiana - Department of Children and Family Services			
Child Support Enforcement	93.563	1304LA4004	\$ 766,467
Total U.S. Department of Health and Human Services			<u>766,467</u>
U.S Department of Justice			
La Commission on Law Enforcement			
Domestic Violence Investigation	16.588	2016-WF-02-4066	10,340
Domestic Violence Investigation	16.588	2017-WF-01-4206	28,589
Domestic Violence Program	16.575	2016-VA-02-4067	<u>69,394</u>
Total U.S. Department of Justice			<u>108,323</u>
Total Expenditures of Federal Awards			<u>\$ 874,790</u>

Notes:

All expenditures on the Schedule of Federal Awards are reported on the modified accrual basis of accounting.

Note 1 to the financial statements provides additional information relative to the District Attorney's accounting policies.

**Other Reports Required by *Government Auditing*
Standards and Uniform Guidance**



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DALE P. DeSELLE, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable J. Phillip Terrell, Jr.
District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana

We have audited, 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, the financial statements of the governmental activities and each major fund of the District Attorney of the Ninth Judicial District, Rapides Parish, Louisiana, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Ninth Judicial District's basic financial statements, and have issued our report thereon dated June 25, 2019.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less than 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 and therefore, material weaknesses or significant deficiencies may exist that have not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider to be a material weakness: Finding 2018-0001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Findings

The District Attorney's response to the finding identified in our audit is described in the accompanying Management's Corrective Action Plan. The District Attorney'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 to internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 25, 2019



OESTRIECHER & COMPANY

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

The Honorable J. Phillip Terrell, Jr.
District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Ninth Judicial District, Rapides Parish, Louisiana, a component unit of the Rapides Parish Police Jury, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect of the District Attorney of the Ninth Judicial District's major federal program for the year ended December 31, 2018. The District Attorney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

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

Auditor's Responsibility

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



An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on CFDA 93.563 Child Support Enforcement

In our opinion, the District Attorney complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.563 Child Support Enforcement for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope for our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Oestrieher & Company

Certified Public Accountants
Alexandria, Louisiana

June 25, 2019

**District Attorney of the Ninth Judicial District
 Rapides Parish, Louisiana
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2018**

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	<u> X </u> Yes <u> </u> No
Significant deficiency(ies) identified?	<u> </u> Yes <u> X </u> No
Noncompliance material to the financial statements?	<u> </u> Yes <u> X </u> No
Management's Corrective Action Plan	See Attached
Management's Summary Schedule of Prior Audit Findings	See Attached
Memorandum of Recommendations and Other Comments	None Issued

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u> </u> Yes <u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes <u> X </u> No
Type of auditor's report issued on Compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported In accordance with section 2 CFR Section 200.516(a)?	<u> </u> Yes <u> X </u> No

Identification of major programs:

CFDA # 93.563, Child Support Enforcement

Dollar threshold used to distinguish between

Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes No

Section II-Findings and Questioned Costs for Financial Statements

Finding 2018-0001

Statement of condition – The District Attorney does not have adequate segregation of duties within the administrative office.

Criteria – A system of internal control procedures requires a segregation of duties so that no individual handles a transaction from start to finish.

Effect of condition – Lack of oversight could lead to improperly recorded transactions.

Cause of condition – There is only a small number of financial personnel employed by the District Attorney.

Recommendation – Management should monitor the assignment of duties to ensure there is as much segregation of duties as possible.

Questioned costs – None

Section III – Findings and Questioned Costs for Federal Awards

No findings or questioned costs were reported.

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Management's Corrective Action Plan
Year Ended December 31, 2018**

The District Attorney of the Ninth Judicial District respectfully submits the following corrective action plan for the year ended December 31, 2018.

Independent Public Accounting Firm:

Oestrieher & Company, CPAs
4641 Windermere Place
Alexandria, LA 71303
318-448-3556

Auditee Contact Person:

J. Phillip Terrell, Jr.
District Attorney of the Ninth
Judicial District
PO Box 7358
Alexandria, LA 71306
318-473-6650

Audit Period: January 1, 2018 through December 31, 2018

The finding from the Schedule of Findings and Questioned Costs are discussed below. The finding is numbered consistently with the number assigned in the Schedule.

Finding 2018-0001

The District Attorney does not have adequate segregation of duties within the administrative office.

Planned corrective action – While management understands the nature of the finding and the necessity of hiring additional qualified personnel, the benefits of hiring additional qualified personnel do not outweigh the costs.

**District Attorney of the Ninth Judicial District
Rapides Parish, Louisiana
Management's Summary Schedule of Prior Audit Findings
Year Ended December 31, 2018**

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

Finding 2017-0001

The District Attorney does not have adequate segregation of duties within the administrative office.

Planned corrective action – Condition is not resolved. See Finding 2018-0001

Section II – Internal Control and Compliance Material to Federal Awards

None reported

Section III – Federal Awards Findings and Questioned Cost

None reported



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Phillip Terrell Jr. and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Collections

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

Finding: The District Attorney of the Ninth Judicial District provided a listing of deposit sites for the fiscal period.

2. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:



- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Finding: Employees that are responsible for cash collections do not share cash drawers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Finding: Employees responsible for collecting cash are not responsible for preparing bank deposits.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Finding: Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding: Employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

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

Finding: Employees who have access to cash are covered by a blanket crime protection insurance policy.

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

- a) Observe that receipts are sequentially pre-numbered.

Finding: Receipts subject to testing were sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding: Sequentially pre-numbered receipts, system reports, and other related collection documentation were traced to deposit slips.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Finding: The deposit slip totals were traced to the bank statements.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Finding: Five of the deposits tested were made within one business day of receipt at the collection location. Five of the deposits tested were not made within one business day. The depository is less than 10 miles from the collection locations.

- e) Trace the actual deposit per the bank statement to the general ledger.

Finding: The deposits per the bank statements were traced to the general ledger.

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

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

Finding: The District Attorney of the Ninth Judicial District provided a list of all locations that processed payments for the fiscal period.

6. For each location selected under #5 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Finding: The office administrator initiates purchases. The office administrator approves purchases up to \$500. The First Assistant District Attorney approves purchases greater than \$500. The Finance Director makes purchases.

- b) At least two employees are involved in processing and approving payments to vendors.

Finding: The office administrator, Finance Director, and First Assistant District Attorney are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Finding: The Finance Director processes payments and adds/modifies vendor files. The office administrator periodically reviews the vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Finding: The Finance Director processes payments and mails signed checks to vendors. The office administrator or First Assistant District Attorney is responsible for signing checks. The office administrator periodically reviews all checks that clear the bank accounts.

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

- a) Observe that the disbursement matched the related original invoice/billing statement.

Finding: All disbursements tested matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

Finding: All disbursements tested included evidence of segregation of duties tested under #6.

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.

Oestrieche & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 25, 2019