

**District Attorney of the  
Forty-Second Judicial District  
(a component unit of the DeSoto Parish Police Jury)**

**DeSoto Parish, Louisiana**

**December 31, 2017**



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**District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana**

**December 31, 2017**  
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## **Independent Auditors' Reports**



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## **INDEPENDENT AUDITORS' REPORT**

Honorable Gary Evans  
District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

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

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

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

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

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, the *General Fund Budgetary Comparison Schedule*, the *Pre-Trial Intervention/Diversion Program Fund Budgetary Comparison Schedule*, the *Schedule of the District Attorney's Proportionate Share of the Net Pension Liability* and the *Schedule of the District Attorney's Contributions to the Funds*, on pages 6 through 11, and 42 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The *Schedule of Compensation, Benefits and Other Payments to Agency Head*, presented in accordance with Louisiana Revised Statutes (LRS) 24:513(A)(3), is on page 48. This schedule is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2018, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.



CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana  
June 30, 2018



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

Honorable Gary Evans  
District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Forty-Second Judicial District (District Attorney,) a component unit of the DeSoto Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 30, 2018.

**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 opinions 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 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 been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2017-01 that we consider to be a significant deficiency.

#### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the District Attorney, in a separate letter dated June 30, 2018.

#### **District Attorney of the 42<sup>nd</sup> Judicial District's Response to Finding**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana  
June 30, 2018

**Required Supplemental Information**

**Management's Discussion and Analysis (unaudited)**

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Management's Discussion and Analysis (unaudited)  
December 31, 2017

This section of the District Attorney of the Forty-Second Judicial District's (District Attorney) annual financial report presents our discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read it in conjunction with the District Attorney's financial statements, which follow this section.

**Financial Highlights –**

The following exhibits some of the more important highlights of the financial results for the government-wide financial statements for the year ended December 31, 2017.

- The District Attorney's total net position from governmental activities increased \$91,461 from the beginning of the fiscal year as a result of operations;
- During the year ended December 31, 2017, the District Attorney's expenses were \$47,421 less than the \$2,166,127 recognized as revenue from charges for services and operating grants and contributions;
- The cost of operating the programs of the District Attorney \$2,118,706 which represents an increase in the costs of operations from the prior year of \$560,219 or a 35.95% (percent) increase, and
- The District Attorney reported unrestricted net position of \$964,400 an increase of \$83,611 from the prior year.

**Overview of the Financial Statements**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District Attorney:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District Attorney's governmental operations, reporting the District Attorney's operations in more detail than the government-wide statements.
  - The governmental funds statements illustrate how general government services, like public safety, were financed in the short-term as well as what remains for future spending.

- Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Exhibit 1 shows how the required parts of this annual report are arranged and relate to one another.

The following Exhibit summarizes the major features of the District Attorney’s financial statements, including the portion of the District Attorney’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure of contents of each of the statements.

Major Features of District Attorney’s Government and Fund Financial Statements			
	Fund Statements		
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	The entire District Attorney governmental unit (excluding fiduciary funds).	The activities of the District Attorney that are not proprietary or fiduciary, such as public safety the IV-D program, and the pre-trial intervention/diversion program.	Instances in which the District Attorney is the trustee or agent for someone else’s resources, such as seized drug assets awaiting forfeiture.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position.</li> <li>• Statement of activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet.</li> <li>• Statement of revenue, expenditures, and changes in fund balances.</li> </ul>	<ul style="list-style-type: none"> <li>• Statements of fiduciary net position.</li> <li>• Statements of changes in fiduciary net position is not presented because the District Attorney has agency funds only.</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resource focus.
Type of asset/liability	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included.	All assets and liabilities, both short-term and long-term; the District Attorney’s funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid.

### **Government-Wide Statements**

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District Attorney's assets, deferred outflows or resources, liabilities, deferred inflows of resources, and net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District Attorney's net position and how they have changed. Net position (the difference between the District Attorney's total assets and total liabilities) is one way to measure the District Attorney's financial health, or position.

For instance:

- Over time, increases or decreases in the District Attorney's net position is an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District Attorney, you need to consider additional financial factors, such as changes in the finances of the State of Louisiana and the DeSoto Parish Police Jury.

The government-wide financial statements of the District Attorney consist of:

- Governmental activities - all of the District Attorney's basic services are included here, such as public safety, the IV-D program and general administration.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District Attorney's most significant funds, not the District Attorney as a whole. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law or by bond covenants.

The District Attorney has two kinds of funds:

- Governmental funds – Most of the District Attorney's basic services are included in governmental funds which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationships between the two types of financial statements.
- Fiduciary funds – We exclude the activity in these funds from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

## Financial Analysis of the District Attorney as a Whole

**Net Position** The District Attorney's combined net position increased during 2017 by \$91,461 or 9.96% (percent), from \$918,395, at December 31, 2016, as shown in the following table.

	2017	2016	Change	Percent Change
Current and other assets	\$ 1,131,720	\$ 977,751	\$ 153,969	15.75%
Capital assets, net	45,456	37,606	7,850	20.87%
Total Assets	<u>1,177,176</u>	<u>1,015,357</u>	<u>161,819</u>	<u>15.94%</u>
Deferred outflows of resources	167,074	162,608	4,466	na
Current liabilities	104,695	46,136	58,559	126.93%
Noncurrent liabilities	145,011	120,421	24,590	na
Total Liabilities	<u>249,706</u>	<u>166,557</u>	<u>83,149</u>	<u>49.92%</u>
Deferred inflows of resources	84,688	93,013	(8,325)	na
Net Position				
Invested in capital assets	45,456	37,606	7,850	20.87%
Unrestricted	964,400	880,789	83,611	9.49%
Total Net Position	<u>\$ 1,009,856</u>	<u>\$ 918,395</u>	<u>\$ 91,461</u>	<u>9.96%</u>

**Changes in Net Position** The following condensed government-wide governmental activity statement illustrates the major changes in operations for the District Attorney in 2017 as compared to 2016:

	2017	2016	Increase (Decrease)	Percent Change
Revenue	\$ 2,210,167	\$ 1,497,045	\$ 713,122	47.64%
Expenses	2,118,706	1,558,487	560,219	35.95%
Change in net position	<u>\$ 91,461</u>	<u>\$ (61,442)</u>	<u>\$ 152,903</u>	<u>248.86%</u>

### Governmental Activities

The District Attorney's total governmental revenue increased from 2017 by \$715,229, or 49.10% (percent), while expenses increased by \$554,334 or 36.41% (percent), as compared to 2016. Revenue increased from 2016 due to increases in the fees collected for the Pre-Trial Intervention/Diversion Program. The increases in expenses occurred primarily in other costs to deliver the Pre-Trial Intervention/Diversion Program.

	2017	2016	Increase (Decrease)	Percent Change
<b>Revenue</b>				
Charges for services	\$ 1,132,842	\$ 551,963	\$ 580,879	105.24%
Grants and contributions and parish support	1,033,285	892,293	140,992	15.80%
Other	5,895	12,537	(6,642)	-52.98%
Total revenues	<u>2,172,022</u>	<u>1,456,793</u>	<u>715,229</u>	<u>49.10%</u>
<b>Expenses</b>				
Personnel services	1,272,696	1,223,758	48,938	4.00%
Other costs to deliver governmental programs	787,576	298,521	489,055	163.83%
Capital outlay	16,342	-	16,342	0.00%
Total Expenses	<u>2,076,614</u>	<u>1,522,279</u>	<u>554,335</u>	<u>36.41%</u>
Excess of revenue over expenditures	<u>\$ 95,408</u>	<u>\$ (65,486)</u>	<u>\$ 160,894</u>	<u>245.69%</u>

### Financial Analysis of the District Attorney's Funds

At the end of 2017, the District Attorney's governmental funds reported a combined fund balance, of \$1,027,023, which included an increase of \$95,408 from prior year fund balance of \$931,615.

### Economic Factors and Next Year's Budget

The District Attorney relies on the State of Louisiana and the DeSoto Parish Police Jury for approximately \$1,033,285 or 48% of its total funding. How the current recession and economic climate will affect that funding remains to be seen. What is known is that when both of these sources become stagnant for a period of time it dramatically affects the ability of this office to provide the expected services required.

The cost to operate this office for 2017 was \$2,076,614, including State Assistant District Attorney (ADA) pay of \$233,335 and \$497,504 in direct payments by the DeSoto Parish Police Jury.

### General Fund Budgetary Highlights

The District Attorney has prepared budgets that cover its governmental activities in the General Fund. Included in this financial report are comparison schedules that illustrate the actual results of these funds compared to the original and revised budgets. The budgets did not contain the on-behalf payments received from the State of Louisiana and the DeSoto Parish Police Jury, which are included in the actual amounts reported and evaluated for variances.

### Capital Assets

At the end of 2017, the District Attorney had \$45,456, net of depreciation, invested in a broad range of capital assets. This amount represents a net increase (including depreciation, additions and retirements) of \$7,850 or 20.87% from the previous year.

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Land	\$ 7,875	\$ 7,875	\$ -	0.00%
Buildings and buildings improvements	60,165	50,042	10,123	20.23%
Automobiles	12,816	12,816	-	0.00%
Equipment, furniture and fixtures	<u>159,059</u>	<u>152,840</u>	<u>6,219</u>	<u>4.07%</u>
Total assets at cost	239,915	223,573	16,342	7.31%
Less: accumulated depreciation	<u>(194,459)</u>	<u>(185,967)</u>	<u>(8,492)</u>	<u>4.57%</u>
Total capital assets	<u>\$ 45,456</u>	<u>\$ 37,606</u>	<u>\$ 7,850</u>	<u>20.87%</u>

### Contacting the District Attorney's Financial Management

This financial report is designed to provide the citizens, taxpayers, and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Honorable Gary Evans, District Attorney, 206 Adams St. Mansfield, LA 71052.

# **Basic Financial Statements**

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Statement of Net Position  
December 31, 2017

Assets	
Current assets	
Cash and cash equivalents	\$ 553,222
Receivables	64,505
Other assets	3,465
Due from other funds	42,336
Total current assets	<u>663,528</u>
Noncurrent assets	
Investments	468,192
Capital assets, net of depreciation	45,456
Total assets	<u>1,177,176</u>
Deferred outflows of resources	
Deferred pensions	167,074
Total deferred outflows of resources	<u>167,074</u>
Liabilities	
Current liabilities	
Accounts payable and accruals	104,695
Total current liabilities	<u>104,695</u>
Long-term liabilities	
Net pension liability	<u>145,011</u>
Total liabilities	<u>249,706</u>
Deferred inflows of resources	
Deferred pensions	84,688
Total deferred inflows of resources	<u>84,688</u>
Net position	
Invested in capital assets	45,456
Unrestricted	964,400
Total net position	<u>\$ 1,009,856</u>

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Statement of Activities  
for the year ended December 31, 2017

		Program Revenues		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Net Revenue and Changes in Net Position
Governmental activities				
Public Safety and Judicial Prosecution	\$ 2,118,706	\$ 1,132,842	\$ 1,033,285	\$ 47,421
Total government activities	\$ 2,118,706	\$ 1,132,842	\$ 1,033,285	47,421
General Revenues				
Interest income				5,895
Miscellaneous				38,145
Total general revenues				44,040
Change in net position				91,461
Net position, beginning of year				918,395
Net position, end of year				\$ 1,009,856

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Balance Sheet - Governmental Funds  
December 31, 2017

	General Fund	Pre-Trial Intervention/ Diversion Programs	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 185,920	\$ 367,302	\$ 553,222
Receivables			
Fines, fees, forfeitures and costs			
Due from DeSoto Parish Sheriff	25,836	-	25,836
Due from State of Louisiana			
Title IV-D reimbursement	38,668	-	38,668
Other funds	58,418	-	58,418
Investments	468,192	-	468,192
Other assets	3,214	250	3,464
Total Assets	\$ 780,248	\$ 367,552	\$ 1,147,800
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 2,807	\$ 58,298	\$ 61,105
Due to Desoto Parish Police Jury	11,795	1,375	13,170
Due to Other Funds	-	16,082	16,082
Accrued payroll and retirement expenses	29,082	1,338	30,420
Total liabilities	43,684	77,093	120,777
Fund balances			
Restricted			
Non-spendable	3,214	-	3,214
Assigned	-	290,459	290,459
Unassigned	733,350	-	733,350
Total Fund Balances	736,564	290,459	1,027,023
Total Liabilities and Fund Balances	\$ 780,248	\$ 367,552	\$ 1,147,800

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

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

Total fund balances - Governmental Funds	\$ 1,027,023
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds. This is the amount of capital assets, net of accumulated depreciation (\$194,459) in the current period.	45,456
Deferred outflows of resources reported in the Statement of Net Position	167,074
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Net pension liability	(145,011)
Deferred inflows of resources reported in the Statement of Net Position	<u>(84,688)</u>
Total net position - Governmental Activities	<u>\$ 1,009,854</u>

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
for the Year ended December 31, 2017

	<u>General Fund</u>	<u>Pre-Trial Intervention/ Diversion Programs</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Fee, fines and changes for services	\$ 417,093	\$ 715,749	\$ 1,132,842
Intergovernmental revenues			
DeSoto Parish Police Jury	497,504	-	497,504
State of Louisiana on behalf payments	233,335	-	233,335
State of Louisiana Title IVD Program	272,446	-	272,446
State of Louisiana Victim Assistance	30,000	-	30,000
Interest Income	5,551	344	5,895
Total revenues	<u>1,455,929</u>	<u>716,093</u>	<u>2,172,022</u>
<b>Expenditures</b>			
General Governmental			
Personnel Services	1,244,521	28,175	1,272,696
Travel	17,924	-	17,924
Local Area Compensated Enforcement Program (LACE)	-	363,813	363,813
Operating services	291,213	48,046	339,259
Supplies	5,272	6,670	11,942
Professional services	54,548	90	54,638
Capital outlay	12,472	3,870	16,342
Total expenditures	<u>1,625,950</u>	<u>450,664</u>	<u>2,076,614</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(170,021)</u>	<u>265,429</u>	<u>95,408</u>
<b>Other Financing Sources/(Uses)</b>			
Transfer	<u>(25,030)</u>	<u>25,030</u>	<u>-</u>
Total other financial sources/(uses)	<u>(25,030)</u>	<u>25,030</u>	<u>-</u>
Net change in fund balance	(195,051)	290,459	95,408
Fund balances - beginning of year	<u>931,615</u>	<u>-</u>	<u>931,615</u>
Fund balance - end of year	<u>\$ 736,564</u>	<u>\$ 290,459</u>	<u>\$ 1,027,023</u>

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds to the Statement of Activities  
for the year ended December 31, 2017

Net change in fund balances-total governmental funds \$ 95,408

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

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

Capital outlay	16,342	
Depreciation expense	<u>(8,492)</u>	7,850

The net pension liability is not susceptible to accrual and therefore is not reported in the funds. This amount represents the change in the net pension liability. (11,799)

Change in Net Position-Governmental Activities \$ 91,459

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Statement of Fiduciary Net Position  
December 31, 2017

Assets	
Cash and cash equivalents	<u>\$ 46,222</u>
Liabilities	
Due to other governments	<u>\$ 46,222</u>

See accompanying notes to the financial statements

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

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

**Introduction**

The Louisiana Constitution of 1974, Article V, Section 14 created the Judicial Districts of the State, among them the Forty-Second Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts and sets forth the duties of the office. Louisiana Revised Statute 16:1 establishes a District Attorney for each of the Judicial District Attorney's offices. The Forty-Second Judicial District Attorney exists and operates in accordance with the authorities cited.

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. DeSoto Parish comprises the Forty-Second Judicial District, and the Forty-Second Judicial District Attorney's office is located in Mansfield, Louisiana.

At December 31, 2017, the Forty-Second Judicial District Attorney's office employed 15 persons. Five (5) of these employees are attorneys, including the district attorney himself. One (1) of these employees is an investigator, and the other nine (9) are administrative and clerical personnel.

**Note 1 Summary of Significant Accounting Policies**

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. Component units are required to initially adopt GASB Statement No. 34 for the same reporting period as the primary government. The District Attorney's primary government, the DeSoto Parish Police Jury, has adopted the provisions of GASB 34.

The government-wide financial statements (GWFS) include the Statement of Net Position and the Statement of Activities. These statements report information on all of the governmental activities of the District Attorney. Fiduciary activities of the District Attorney are not included in these statements.

**A. Basis of Presentation**

The accompanying basic financial statements of the District Attorney of the Forty-Second Judicial District (District Attorney) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units.

## **B. Reporting Entity**

The basic criterion for determining whether a governmental organization should be included in a primary government's basic financial statements is financial accountability. The financial reporting entity consists of the primary government, the DeSoto Parish Police Jury, (b) organizations for which the primary government is financial accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the DeSoto Parish Police Jury has (a) a fiscal responsibility to the District Attorney, and (b) the potential for the District Attorney to provide specific financial benefits to, or impose specific financial burdens on, the DeSoto Parish Police Jury, the District Attorney was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity.

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

The District Attorney is an independently elected official; however, the District Attorney is fiscally dependent on the DeSoto Parish Police Jury. The Police Jury maintains and operates the parish courthouse and the office building in which the district attorney's office is located and provides funds for other expenses of the district attorney's office, as necessary. In addition, the Police Jury's financial statements would be incomplete or misleading without inclusion of the district attorney. For these reasons, the District Attorney was determined to be a component unit of the DeSoto Parish Police Jury, the financial reporting entity.

## **C. Fund Accounting**

The District Attorney organizes its accounts on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The District Attorney uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Funds of the District Attorney are classified as governmental funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the District Attorney include:

### **Governmental Fund Type**

#### **General Fund**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenses of that office. Louisiana Revised Statute 16:16, which became effective August 30, 1986, provides that a court cost of \$10.00 be collected to defray expenses of the District Attorney, in addition to all other fines, costs or forfeitures lawfully imposed. Louisiana Revised Statute 16:16.1, which became effective in 1997, provides that an additional court

cost of \$10.00 be collected to defray expenses of the District Attorney, in addition to all other fines, costs or forfeitures lawfully imposed.

As of September 1, 1994, the Louisiana Revised Statute 15:571.11 provided that all judgments of bond forfeiture will be paid to the District Attorney. The District Attorney will distribute these funds, thirty percent (30%) of which the District Attorney will retain, to be used in the general operating account.

As of August 15, 2003, the Louisiana Revised Statute 15:85.1 provided for a \$15.00 fee to be assessed in connection with every criminal bond posted within each parish. Of this \$15.00 fee, the District Attorney receives \$7.00.

As of June 22, 1993, the Louisiana Revised Statute 22:1065.1 provided that there shall be a premium on all commercial surety underwriters who write criminal bail bonds in the State of Louisiana. The District Attorney receives twenty-five percent (25%) of the amounts collected, to be used in the general operating account.

As of August 15, 2003, the Louisiana Revised Statute 32:57.2 provided that each person seeking renewal or reissuance of a suspended driver's license pay an additional fee of \$25 to the office of the prosecuting authority for purposes of defraying the administrative cost for renewal or reissuance of the suspended driver's license.

The District Attorney also has the following programs, which are included in the General Fund:

**Title IV-D**

Title IV-D consists 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 the program is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

**Hot Checks**

Hot Checks consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures for this program are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney, but may not be used to supplement the salary of the district attorney himself.

**Special Revenue Fund**

The Special Revenue Fund is used to account for proceeds of specific revenue sources that are restricted to expenditures for a specific purpose. The Special Revenue Fund reported as a major fund in the fund financial statements is the Pre-Trial Intervention/Diversion Fund. The Pre-Trial Intervention/Diversion Fund accounts for the collection of a fee paid by first-time offenders to the District Attorney, and expenditures made for the administration of this program.

## **Fiduciary Fund Type**

### **Asset and Bond Forfeiture - Agency Fund**

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the District Attorney are the agency funds. The agency funds account for assets held by the District Attorney as an agent for other governmental entities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but do use the full accrual basis of accounting.

The Asset and Bond Forfeitures Fund is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws. It is also used as a depository for bonds forfeited to rural District Attorney offices. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

### **D. Basis of Accounting/Measurement Focus**

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities are derived directly from parties outside the District Attorney's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the District Attorney's general revenues.

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgment of Forfeiture is received. Court costs and fees provided for in Louisiana Statutes are recorded as received in cash. Collection fees for worthless checks are recorded as received in cash, as are the collection fees for the prosecution of unemployment insurance and food stamp fraud cases. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

**Fund Financial Statements** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and agency funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become measurable and available to pay current liabilities. Commissions on fines and bonds forfeitures are reported in the year they are collected by the tax collector. Grants and state appropriations are recorded when the District Attorney is entitled to the funds. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefits are reported in the period due and payable rather than the period earned by the employees, and general long-term obligations principal and interest payments are recognized only when due.

**Operating transfers between funds** - Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These transactions are recorded as they occur. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts. Generally, these transfers are to pay operating costs of the District Attorney borne by one or the other of the District Attorney's funds.

#### **E. Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or greater for capitalizing capital assets.

Capital assets are recorded in the government-wide financial statements but are not recorded in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 10 to 40 years for buildings and improvements and 5 to 10 years for moveable property.

#### **F. Budgetary Practices**

The District Attorney's budgetary process is governed by, but did not conform to, the Louisiana Budget Act in Louisiana Revised Statute 39:1308. The District Attorney normally utilizes the following budgetary practices:

The budgetary process begins with the administrator estimating the revenues expected to be received during the fiscal year. These revenue estimates are then used by the District Attorney and administrator to set budgetary guidelines in preparing appropriations. Proposed budgets are then prepared for publication and eventual adoption.

The current administration adopted a 2017 budget, after public notice on December 5, 2016 and public inspection on December 9, 2016.

Once the budgets are approved, they can only be amended by the District Attorney. The District Attorney's administrator is authorized to make minor changes within line items. All budget appropriations lapse at year-end. The expenses of the District Attorney's office paid directly by the State of Louisiana and the DeSoto Parish Police Jury are not included in the budgets.

Budgets are adopted on a modified accrual basis, which is consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year-end.

#### **G. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

#### **H. Investments**

Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

State statutes generally authorize the District Attorney to invest in direct United States Treasury obligations; indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government); indebtedness issued or guaranteed by federally sponsored U.S. government agencies; time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana; or mutual fund or trust fund institutions which are registered with the Securities and Exchange Commission.

#### **I. Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

#### **J. Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2017, \$0 was considered to be uncollectible.

#### **K. Compensated Absences**

Full-time employees of the District Attorney of the Forty-Second Judicial District earn ten days of vacation and sick leave each year. Leave does not carryover or accumulated from one year to the next, and there are no vesting privileges. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

#### **L. Risks and Uncertainties**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

#### **M. Net Position Classifications**

In the government-wide statements, net position are classified and displayed in three components:

- Invested in capital assets – Consists of capital assets, net of accumulated depreciation.
- Restricted net position – Consists of components of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Consists of all other components of net position that do not meet the definition of “restricted” or “invested in capital assets”.

The District Attorney applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### **N. Fund Balance Classification**

Fund balance classifications make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending restraints:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Attorney. These amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned:** This classification includes amounts that are constrained by the District Attorney’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Attorney or by an official or body to which the District Attorney delegates the authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund and also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The District Attorney would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**O. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District Attorney has one item that meets this criterion, contributions made to the pension plan in the 2017 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District Attorney has one item that meets the criterion for this category, a deferral of pension expense.

**P. Adoption of New Financial Standards**

In March 2016, the GASB issued Statement No. 82 – Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No.73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of Statement No. 82 are effective for fiscal years beginning after June 15, 2016. The District Attorney does not believe Statement No. 82 to have a material impact on the financial statements.

**Q. Future Accounting Pronouncements**

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The District Attorney is currently assessing the impact of GASB 84 on the financial statements for the year ending December 31, 2019.

In June 2017, GASB issued Statement No. 87 - Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District Attorney is currently assessing the impact of GASB 87 on the financial statements for the year ending December 31, 2020.

### **Note 2 Financial Reporting**

During the year ended December 31, 2002, the District Attorney implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 created new basic financial statements for reporting on the District Attorney's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements, which present information for individual major funds rather than by fund type, which had been the method of presentation in previously issued financial statements.

### **Note 3 Cash and Cash Equivalents**

At December 31, 2017, the District Attorney had cash accounts (book balances), of \$553,222 in its governmental funds and \$46,222 of cash balances in the Forfeiture account awaiting disbursement.

At December 31, 2017, the District Attorney had \$605,365 of deposits (collected bank balances) with local depositories. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. These deposits were secured from risk by \$250,000 of federal deposit insurance at each of two financial institutions and \$1,142,687 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB Category 3). The District Attorney had no uninsured balances as of December 31, 2017.

### **Note 4 Investments and Fair Value Measurements**

#### **Investments**

The District Attorney held \$468,192 in certificate of deposit with a maturity date in April 2018.

#### **Fair Value Measurements**

GASB Statement No. 72, establishes a hierarchy of inputs to valuation techniques used to measure fair value. The District Attorney categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The implementation of this new statement did not change the method of measuring the fair value of the District Attorney's assets. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1—Investments reflect prices quoted in active markets.
- Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

- Level 3—Investments reflect prices based upon unobservable sources.

The District Attorney's total investments consist of a certificate of deposit. The certificates of deposit are time deposits with a specific maturity in excess of 90 days. At December 31, 2017, the value of the certificates of deposit is \$468,192. Valuation is determined using a market value pricing model (Level 2 inputs).

**Note 5 Retirement Plans**

The District Attorney and assistant district attorneys are members of the Louisiana District Attorney's Retirement System (LDARS), a cost-sharing, multiple employer defined benefit pension plan administered and controlled by a separate board of trustees.

Substantially all employees of the District Attorney are members of the Parochial Employees' Retirement System of Louisiana (PERSLA), a cost-sharing, multiple-employer, defined benefit pension plan. PERSLA was originally established by Act #205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employees and pays persons serving the parish. PERSLA is operated by a board of Trustees (seven trustees), an Administrative Director, an Actuary, and Legal Counsel.

Each plan issues a separate financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the plan.

Louisiana District Attorney's Retirement System (LDARS)  
1645 Nicholson Drive  
Baton Rouge, LA 70802-8143  
(225) 267-4824

Parochial Employees' Retirement System of Louisiana (PERSLA)  
7905 Wrenwood Boulevard  
Baton Rouge, LA 70809  
(225) 928-1361

Disclosures relating to these plans are as follows:

**Louisiana District Attorneys' Retirement System (LDARS)**

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

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

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

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

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

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

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

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

In lieu of receiving 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 monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

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 1/2 of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

*Contributions:*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2017, the actual employer contribution rate was 0%. For the year ended June 30, 2017, the actuarially determined employer contribution rate was 0%. In accordance with state statute, LDARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017. Contributions to the pension plan from the District Attorney were \$0 for the year ended December 31, 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At December 31, 2017, the District Attorney reported a liability of \$116,448 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017 and 2016, the District Attorney's proportion was .43173% and .43631%, respectively.

For the year ended December 31, 2017, the District Attorney recognized pension expense of \$40,471.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (30,614)
Net difference between projected and actual earnings on pension plan investments	46,733	-
Change in assumptions	52,208	(13,742)
Changes in proportion and differences between employer contributions and proportion of shared contributions	17,348	(20,323)
Employer contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 116,289</b>	<b>\$ (64,679)</b>

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

Year ended December 31:

2018	\$ 1,428
2019	\$ 24,431
2020	\$ 8,743
2021	\$ 4,538
2022	\$ 6,693
2023	\$ 5,777

*Actuarial Assumptions:*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal cost
Investment Rate of Return	6.75% (Net of investment expense)
Expected remaining service lives	7 years

Projected salary increases	5.50% (2.50% Inflation, 3.00% Merit)
Cost of Living adjustments	Only those previously granted
Mortality rates	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuity Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

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

Asset Class	Target Asset Allocation	Rates of Return Real	Rates of Return Nominal
Equities	61.72%	11.31%	
Fixed income	28.95%	6.84%	
Alternatives	8.85%	10.50%	
Real assets	0.48%	0.50%	
Totals	100.00%		6.56%
Inflation			2.50%
Expected Real Rate of Return			9.06%

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

***Sensitivity of the District Attorney's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - The following presents the District Attorney's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the District Attorney's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
District Attorney's proportionate share of the net pension liability	\$ 332,765	\$ 116,448	\$ (67,369)

*Support of Non-employer Contributing Entities:*

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District Attorney recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the District Attorney recognized revenue as a result of support received from non-employer contributing entities of \$35,486 for its participation in LDARS.

*Pension Plan Fiduciary Net Position:*

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

*Payables to LDARS's Pension Plan:*

Payables to LDARS's pension plan for contractually required contributions related to the payroll accrual were \$2,385 as of December 31, 2017.

**Parochial Employees' Retirement System of Louisiana (PERSLA)**

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. PERSLA was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS).

PERSLA provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of PERSLA.

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

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

*Eligibility Requirements:*

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of

employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERSLA.

The District Attorney participates in Plan B of PERSLA.

*Retirement Benefits:*

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

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

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

*Survivor Benefits:*

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

*Deferred Retirement Option Plan:*

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

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments

into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of PERSLA, the funds may be credited to 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 PERSLA, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

*Disability Benefits:*

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

*Contributions:*

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 7.20% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2017 8.00% for Plan B.

According to state statute, PERSLA also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERSLA also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At December 31, 2017, the District Attorney reported a liability of \$28,563 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At December 31, 2017 and 2016, the District Attorney's proportion was .21988% and .20730%, respectively.

For the year ended December 31, 2017, the District Attorney recognized pension expense of \$26,382 less the District Attorney's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$13,076.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (8,153)
Net difference between projected and actual earnings on pension plan investments	28,517	-
Change in assumptions	3,407	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	2	(11,856)
Employer contributions subsequent to the measurement date	18,859	-
<b>Total</b>	<b>\$ 50,785</b>	<b>\$ (20,009)</b>

Deferred outflows of resources of \$18,859 related to pensions resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2018	\$ (2,448)
2019	\$ 8,963
2020	\$ 6,203
2021	\$ (801)
2022	\$ -

*Actuarial Assumptions:*

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Plan B – Entry Age Normal
Investment Rate of Return	7.00% (Net of investment expense)
Expected remaining service lives	4 years
Projected salary increases	Plan B – 5.25% (2.75% Merit/2.50% Inflation)
Cost of Living adjustments	The present value of future retirement benefits is based on benefits currently being paid by PERSLA 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.

Mortality rates

RP-2000 Employee Sex Distinct Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The discount rate used to measure the total pension liability was 7.00% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, PERSLA'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 long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

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

Asset Class	Target Asset Allocation	Long-Term Expected Rate of Return
Fixed income	35.00%	1.24%
Equities	52.00%	3.63%
Alternatives	11.00%	0.67%
Real assets	2.00%	0.12%
<b>Totals</b>	<b>100.00%</b>	<b>5.66%</b>
Inflation		2.00%
<b>Expected Real Rate of Return</b>		<b>7.66%</b>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females)

projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

**Sensitivity of the District Attorney’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District Attorney’s proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the District Attorney’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
District Attorney’s proportionate share of the net pension liability	\$ 108,591	\$ 28,563	\$ (38,991)

**Support of Non-employer Contributing Entities:**

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District Attorney recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the District Attorney recognized revenue as a result of support received from non-employer contributing entities of \$2,659 for its participation in the District Attorney’s Plan.

**Pension Plan Fiduciary Net Position:**

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

Detailed information about the pension plan’s fiduciary net position is available in the separately issued audit report at [www.persla.org](http://www.persla.org). The Parochial Employees’ Retirement System of Louisiana issues a publicly available audit report that includes financial statements and required supplementary information.

**Payables to PERSLA’s Pension Plan:**

Payables to PERSLA’s pension plan for contractually required contributions related to the payroll accrual were \$8,143 as of December 31, 2017.

**Note 6 Capital Assets**

A summary of changes in general fixed assets is as follows:

	Balance 1/1/2017	Additions	Retirements	Balance 12/31/2017
Capital Assets, not being depreciated				
Land	\$ 7,875	\$ -	\$ -	\$ 7,875
Total capital assets, not being depreciated	7,875	-	-	7,875
Capital Assets, being depreciated				
Buildings and building improvements	50,042	10,123	-	60,165
Less accumulated depreciation	(27,247)	(4,091)	-	(31,338)
Total building and building improvements, net	22,795	6,032	-	28,827
Automobiles	12,816	-	-	12,816
Less accumulated depreciation	(12,816)	-	-	(12,816)
Total automobiles, net	-	-	-	-
Equipment, furniture and fixtures	152,840	6,219	-	159,059
Less accumulated depreciation	(145,904)	(4,401)	-	(150,305)
Total equipment, furniture and fixtures, net	6,936	1,818	-	8,754
Total capital assets, being depreciated	29,731	7,850	-	37,581
Total capital assets, net	\$ 37,606	\$ 7,850	\$ -	\$ 45,456

**Note 7 Leases**

The District Attorney has entered into various agreement to lease office copiers. Future minimum lease payments are shown in the table below:

December 31,

2018	\$ 6,543
2019	6,543
2020	3,704
Thereafter	-
<b>Total minimum required payments</b>	<b>\$ 16,790</b>

Tota

I rental expense of leased equipment was \$2,424 for the year ended December 31, 2017.

**Note 8 On-behalf Payments**

For the year ended December 31, 2017, the District Attorney recorded on-behalf payments totaling \$233,335 from the State of Louisiana for salaries. These payments were directly from the State to the District Attorney and four (4) assistant district attorneys. The District Attorney also recorded on-behalf payments from the DeSoto Parish Police Jury totaling \$497,504 for staff salaries, benefits and operating costs of the District Attorney’s office. On-behalf payments from these sources total \$730,839. A breakdown of the payments by source:

DeSoto Parish Police Jury	
Payroll and payroll taxes	\$ 240,305
Pension	15,101
Insurance	113,466
Other	128,632
Total	<u>\$ 497,504</u>
State of Louisiana	
Payroll and payroll taxes	\$ 233,335
Total	<u>\$ 233,335</u>

**Note 9 Expenditures of the District Attorney not Included in the Financial Statements**

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court funds. Those expenditures are summarized as follows: The Criminal Court Fund is controlled and expended jointly between the District Attorney and the Forty-Second Judicial Court. The District Attorney normally expends funds for transcripts, witness fees and expert witness fees; the balance is utilized by the Forty-Second Judicial Court.

**Note 10 Federal Financial Assistance Program**

The District Attorney of the Forty-Second Judicial District participates in federal and state programs that are fully or partially funded by grants received from other governmental units including the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2017, the District Attorney for the Forty-Second Judicial District expended \$240,744 for the program.

**Note 11 Contingencies**

*Risk Management* - The District Attorney is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District Attorney.

Grant Disallowances – The District Attorney participates in one federally assisted grant program. The reimbursement payments are restricted by a formal agreement between the District Attorney and the Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis. The reimbursements may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

**Note 12      Uncertainties**

The Louisiana Legislative Auditor is currently performing an investigation or project related to the District Attorney. The investigation or project is not complete as of the date of the audit report. The effect of the investigation or project on the financial statements is not known.

**Required Supplementary Information**

District Attorney of the Forty-Second Judicial District  
DeSoto Parish

General Fund Budgetary Comparison Schedule  
for the Year ended December 31, 2017

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenue</b>				
Fines, fees & bond forfeitures	\$ 569,000	\$ 439,315	\$ 417,093	\$ (22,222)
Intergovernmental revenue	235,000	274,035	1,033,285	* 759,250
Interest income	1,000	613	5,551	4,938
<b>Total revenue</b>	<u>805,000</u>	<u>713,963</u>	<u>1,455,929</u>	<u>741,966</u>
<b>Expenditures</b>				
General government				
Personnel services	709,000	711,949	1,244,521	* (532,572)
Travel	-	-	17,924	(17,924)
Operating services	107,000	121,329	291,213	* (169,884)
Supplies	26,000	5,414	5,272	142
Other charges	26,000	32,303	54,548	(22,245)
Capital outlay	-	12,472	12,472	-
<b>Total expenditures</b>	<u>868,000</u>	<u>883,467</u>	<u>1,625,950</u>	<u>(742,483)</u>
Excess (deficiency) of revenue over expenditures	(63,000)	(169,504)	(170,021)	(517)
Other financing sources (uses)				
Operating transfers in (out)	-	-	(25,030)	(25,030)
Excess (deficiency) of revenues and other sources (uses) over expenditures and other uses	(63,000)	(169,504)	(195,051)	(25,547)
Beginning fund balance	931,615	931,615	931,615	-
Ending fund balance	\$ <u>868,615</u>	\$ <u>762,111</u>	\$ <u>736,564</u>	\$ <u>(25,547)</u>

\* Actual amounts include on-behalf payments not budgeted

District Attorney of the Forty-Second Judicial District  
DeSoto Parish

Pre-Trial Intervention/Diversion Program Fund Budgetary Comparison Schedule  
for the Year ended December 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenue</b>				
Fines, fees & bond forfeitures	\$ 205,000	\$ 671,918	\$ 715,749	\$ 43,831
Interest income	-	388	344	(44)
Total revenue	<u>205,000</u>	<u>672,306</u>	<u>716,093</u>	<u>43,787</u>
<b>Expenditures</b>				
General government				
Personnel services	-	30,891	28,175	2,716
Other charges	101,000	353,065	363,813	(10,748)
Operating services	-	10,703	48,046	(37,343)
Supplies	-	8,611	6,670	1,941
Professional services	-	-	90	(90)
Capital outlay	-	-	3,870	(3,870)
Total expenditures	<u>101,000</u>	<u>403,270</u>	<u>450,664</u>	<u>(47,394)</u>
Excess (deficiency) of revenue over expenditures	104,000	269,036	265,429	(3,607)
Other financing sources (uses)				
Operating transfers in (out)	-	-	25,030	25,030
Excess (deficiency) of revenues and other sources (uses) over expenditures and other uses	104,000	269,036	290,459	21,423
Beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ 104,000</u>	<u>\$ 269,036</u>	<u>\$ 290,459</u>	<u>\$ 21,423</u>

See Independent Auditors' Report

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Schedule of the District Attorney's Proportionate Share of the Net Pension Liability  
December 31, 2017

Fiscal Year Ended	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
<i>Louisiana District Attorneys' Retirement System (LDARS)</i>					
** 2017	0.43173%	\$ 116,448	\$ 262,366	44%	93.6%
** 2016	0.43631%	\$ 83,513	\$ 246,810	34%	95.1%
** 2015	0.32993%	\$ 17,772	\$ 205,911	9%	98.6%
** 2014	0.46100%	\$ 9,194	\$ 193,486	5%	99.5%
<i>Parochial Employees' Retirement System (PERSLA)</i>					
* 2016	0.21988%	\$ 28,563	\$ 221,041	13%	95.5%
* 2015	0.20730%	\$ 36,908	\$ 217,484	17%	92.2%
* 2014	0.15350%	\$ 426	\$ 140,755	0%	99.1%
* 2013	0.14698%	\$ 250	\$ 69,379	0%	99.8%

\* Amounts presented were determined as of the measurement date (fiscal year ended December 31).

\*\* Amounts presented were determined as of the measurement date (fiscal year ended June 30).

*This schedule is intended to show information for 10 years.*

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Schedule of the District Attorney's Contributions to the Funds  
December 31, 2017

**Louisiana District Attorney's Retirement System (LDARS)**

Fiscal Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll	Contributions as a % of Required Contributions
2017	\$ -	\$ -	\$ -	\$ 258,352	0.00%	100.00%
2016	\$ 8,329	\$ 8,329	\$ -	\$ 247,349	3.37%	100.00%
2015	\$ 13,287	\$ 13,287	\$ -	\$ 235,605	5.64%	100.00%
2014	\$ 13,544	\$ 13,544	\$ -	\$ 193,486	7.00%	100.00%

**Parochial Employees' Retirement System of Louisiana (PERSLA)**

Fiscal Year	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll	Contributions as a % of Required Contributions
2017	\$ 18,859	\$ 18,859	\$ -	\$ 235,733	8.00%	100.00%
2016	\$ 15,027	\$ 15,027	\$ -	\$ 221,041	6.80%	100.00%
2015	\$ 10,656	\$ 10,656	\$ -	\$ 217,484	4.90%	100.00%
2014	\$ 9,966	\$ 9,966	\$ -	\$ 140,755	7.08%	100.00%

**Notes to the Required Supplementary Schedules**

Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2017.

Changes of Assumptions

For District Attorneys' Retirement System, the assumed rate of return was lowered from 7.00% for June 30, 2016 to 6.75% for June 30, 2017.

## **Supplementary Information**

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

Schedule of Audit Findings and Questioned Costs  
for the Year ended December 31, 2017

**Section I - Summary of Auditors' Results**

**A. Financial Statements**

1. We have issued an unmodified opinion on the financial statements of the District Attorney of the Forty-Second Judicial District, DeSoto Parish, Louisiana, as of and for the year ended December 31, 2017.
2. The audit disclosed one significant deficiency in internal control, this deficiency was not determined to be a material weakness.
3. The audit disclosed no instances of noncompliance material to the financial statements reported during the audit.
4. A management letter was issued for the year ended December 31, 2017, and dated June 30, 2018.

**Section II – Financial Statement Findings**

**A. Current Year Findings and Responses**

**2017-01 Segregation of Duties / Lack of Supervision and Review**

**Criteria** - The District Attorney's office should have an adequate number of employees available to execute the ongoing duties related to financial matters and allow for proper segregation of duties and supervision and review.

**Condition** - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties due to a lack of personnel available to prepare proper accounting records that agree to supporting documentation, and financial statements including the related note disclosures.

**Effect** - Intentional or unintentional errors could be made and not detected within the accounting system.

**Cause** - The District Attorney's office does not have a sufficient number of employees to adequately separate accounting duties to prepare proper accounting records and the District Attorney's annual financial statements with related note disclosures.

**Recommendation** - Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we recommend that the District Attorney explore alternative methods to mitigate the conditions above.

**Management's Response and Corrective Plan** - It is not economically feasible to add a sufficient number of employees to adequately segregate all accounting duties. We are constantly evaluating the opportunities to introduce mitigating controls and have employed an external CPA to assist in our financial recordkeeping, thereby introducing additional safeguards to minimize threats to our financial accounting. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the District Attorney to have our independent auditors prepare our financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

**B. Prior Year Findings and Responses**

**2016-01 Segregation of Duties**

**Criteria** – The District Attorney's office should have an adequate number of employees available to execute the ongoing duties related to financial matters and allow for proper segregation of duties.

**Condition** – Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

**Status** – Repeated in Finding 2017-01

District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

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

Agency Head Name: Honorable Gary V. Evans

Purpose	Amount
Salary	\$ 97,625
Payroll taxes	\$ 1,416
Reimbursements	\$ 718
Travel	\$ 123
Special meals	\$ 1,688
Other (including payments made by other parties on behalf of the agency head)	\$ 50,725



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## Management Letter

Honorable Gary Evans  
District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of District Attorney of the Forty-Second Judicial District (District Attorney,) a component unit of the DeSoto Parish Police Jury, for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 30, 2018. 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.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

### **MLC 2017-01 Local Government Budget Act**

Year of Origination – December 31, 2017

#### *Observation:*

The Local Government Budget Act and specifically Louisiana Revised Statute 39:1311 requires that the governing authority adopt a budget amendment if there is a 5% or greater shortage in revenue or a 5% or greater overage in expenditures or if there is a 5% or greater variance in the actual fund balance at the beginning of the year. Actual expenditures for the Special Revenue Fund exceeded budgeted expenditures by 12%.

#### *Recommendation:*

We recommend that procedures be implemented to monitor the budget and actual revenues and expenditures throughout the year.

#### *Views of responsible officials and corrective actions:*

Our fee accountant and Financial Administrator are implementing procedures to conform with the recommendation to comply with applicable state statutes.

**MLC 2017-02 Grant Documentation**

Year of Origination – December 31, 2017

*Observation:*

The District Attorney has not maintained the required documentation to support the expenditures submitted for reimbursement under a grant with the State of Louisiana Department of Children and Family Services. The terms of the grant award requires that charges to the grant have proper supporting documentation.

*Recommendation:*

We recommend that procedures be implemented to ensure that all expenditures submitted for reimbursement are supported with proper documentation as required under the grant terms.

*Views of responsible officials and corrective actions:*

We will adhere to our responsibilities as required by the Child Support Grant by ensuring that all documentation is supplied.

**MLC 2017-03 Asset and Bond Forfeiture Agency Fund**

Year of Origination – December 31, 2017

*Observation:*

There were two bond forfeitures received in February 2017 and deposited into the Asset and Bond Forfeiture Agency Fund. As of December 31, 2017, the bond forfeitures were not disbursed as required by Louisiana Revised Statute 40:2016.

*Recommendation:*

We recommend that procedures be implemented to monitor the Asset and Bond Forfeiture Agency Fund to verify amounts are disbursed in accordance with R.S. 40:2016.

*Views of responsible officials and corrective actions:*

We will develop procedures that comply with R.S. 40:2016 to avoid disbursement problems in the future.

This report is intended solely for the information and use of the District Attorney, management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

June 30, 2018

**District Attorney of the Forty-Second Judicial District  
(a component unit of the DeSoto Parish Police Jury)  
DeSoto Parish, Louisiana**

**AGREED-UPON PROCEDURES REPORT**

December 31, 2017



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To Honorable Gary Evans  
District Attorney of the Forty-Second Judicial District  
DeSoto Parish, Louisiana  
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtained the DA's written policies and procedures and observed that those written policies and procedures address each of the following financial/business functions:

a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding budgeting.**

b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding purchasing.**

- c) *Disbursements*, including processing, reviewing, and approving.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding disbursements.**

- d) *Receipts*, including receiving, recording, and preparing deposits.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding receipts.**

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding payroll/personnel.**

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding contracting.**

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding credit cards (and debit cards, fuel cards, P-Cards).**

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding travel and expense reimbursement.**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the DA's ethics policy.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding ethics.**

- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies or procedures regarding debt service.**

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

---

2. Obtained and inspected the board/committee minutes for the fiscal period and the Board's enabling legislation, charter/bylaws, or other equivalent document in effect during the fiscal period, and:

- a) Observed whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter/bylaws, or other equivalent document.

**Results: The District Attorney of the Forty-Second Judicial District does not have board meetings/minutes. As such, CRI was unable to perform the procedure above.**

- b) Observed that the minutes obtained and inspected above either referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the DA's prior audit (GAAP-basis).
  - 1) If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, observed that there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, observed that the meeting minutes for at least one board meeting during the fiscal period reflected that the board is monitoring the plan.

**Results: The District Attorney of the Forty-Second Judicial District does not have board meetings/minutes. As such, CRI was unable to perform the procedure above.**

- c) Observed that the minutes obtained and inspected above either referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Results: The District Attorney of the Forty-Second Judicial District does not have board meetings/minutes. As such, CRI was unable to perform the procedure above.**

### ***Bank Reconciliations***

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- 3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete.

**Results: No exceptions were found as a result of applying the procedure.**

- 4. Using the listing obtained from management in #3 above, selected all of the DA's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and observed whether:

- a) Bank reconciliations have been prepared;

**Results: No exceptions were found as a result of applying the procedure.**

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

**Results: For all five bank accounts selected, there is no evidence of review by a member of management or a board member.**

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

**Results: No exceptions were found as a result of applying the procedure.**

### ***Collections***

---

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

**Results: No exceptions were found as a result of applying the procedure.**

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

a) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and inspected the documentation obtained to determine that each person responsible for collecting cash is (1) bonded, or there is sufficient general liability insurance covering each person, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and (3) not required to share the same cash register or drawer with another employee.

**Results: As documented in step 1 above, CRI found that no formal written policies or procedures are in place. As such, CRI was unable to perform this procedure.**

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

**Results: As documented in step 1 above, CRI found that no formal written policies or procedures are in place. As such, CRI was unable to perform this procedure.**

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

1) Obtained the DA's collection documentation, deposit slips, and bank statements for each cash collection included in the highest (dollar) week, traced daily collections to the deposit date on the corresponding bank statement, and observed that the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location

**Results: CRI was unable to perform this procedure as the deposits are recorded in monthly totals at the end of each month.**

2) Obtained sequentially numbered receipts, system reports, or other related collection documentation, observed that daily cash collections were supported by documentation

**Results: CRI was unable to perform this procedure as the deposits are recorded in monthly totals at the end of each month.**

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

**Results: As documented in step 1 above, CRI found that no formal written policies or procedures are in place. As such, CRI was unable to perform this procedure.**

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

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8. Obtained a listing of DA disbursements for the fiscal period from management or, alternately, obtained the general ledger and sorted/filtered for DA disbursements. Obtained management's representation that the listing or general ledger population is complete.

**Results: No exceptions were found as a result of applying the procedure.**

9. Using the disbursement population from #8 above, randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined that the supporting documentation for each transaction demonstrated that:

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

**Results: The District Attorney of the Forty-Second Judicial District does not use a purchase order system.**

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

**Results: The District Attorney of the Forty-Second Judicial District does not use a purchase order system.**

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

**Results: There was no evidence of purchase orders or receiving reports showing the receipt of goods purchased for any of the disbursements selected. Approved invoices were observed for each of the selected disbursements.**

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

**Results: As documented in step 1 above, CRI found that no formal written policies or procedures are in place. As such, CRI was unable to perform this procedure.**

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

**Results: As documented in step 1 above, CRI found that no formal written policies or procedures are in place. As such, CRI was unable to perform this procedure.**

12. Inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons (as identified by management) that do not have signatory authority. Alternately, if the checks are electronically printed on blank check stock, inspected DA documentation (electronic system control documentation) and observed that only the persons with signatory authority have system access to print checks.

**Results: No exceptions were found as a result of applying the procedure.**

13. If a signature stamp or signature machine is used, inquired of the signer to determine that his or her signature is maintained under his or her control or is used only with the knowledge and consent of the

signer. Inquired of the signer to determine that signed checks are likewise maintained under the control of the signer or authorized user until mailed.

**Results: No exceptions were found as a result of applying the procedure.**

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

---

14. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) in effect during the fiscal period for all employees/officials, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

**Results: No exceptions were found as a result of applying the procedure.**

15. Using the listing obtained by management in #14 above, we randomly selected at least one-third of the cards (the DA has less than 10 cards) that were used during the fiscal period, rotating cards each year. Obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards for the fiscal period. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

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

**Results: There is no written evidence that the monthly statements were approved by someone other than the card holder.**

b) Observed that there was evidence finance charges and/or late fees were assessed on the selected statements.

**Results: No exceptions were found as a result of applying the procedure.**

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

a) For each transaction, observed that the transaction is supported by:

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

**Results: No exceptions were found as a result of applying the procedure.**

2) Documentation of the business/public purpose, if not evident from the receipt. For meal charges, there should also be documentation of the individuals participating.

**Results: No exceptions were found as a result of applying the procedure.**

3) If applicable, other documentation that is required by written policy obtained in #1g above (e.g., purchase order, written authorization).

**Results: As observed in step 1g above, the DA does not have written policies and procedures. This step is not applicable.**

b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the DA's written purchasing/disbursement policies obtained in #1b above and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and determined that the transaction complied with the requirements.

**Results: As documented in step 1 above, CRI found that no formal written policies or procedures are in place. We also observed that none of the transactions selected were subject to the Louisiana Public Bid Law. As such, CRI was unable to perform this procedure.**

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

**Results: No exceptions were found as a result of applying the procedure.**

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

---

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

**Results: No exceptions were found as a result of applying the procedure.**

18. Using the DA's written policies related to travel and expense reimbursements obtained in #1h above, compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and determined that no amounts exceed GSA rates.

**Results: The District Attorney of the Forty-Second Judicial District does not have written policies related to travel and expense reimbursements.**

19. Using the listing or general ledger from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. Obtained the expense reimbursement reports or prepaid expense documentation of each selected person for the fiscal year, including the supporting documentation, and chose the largest travel expense for each person to inspect. For each of the three travel expenses selected:

- a) Compared expense documentation to written policies and observed that each expense was reimbursed or prepaid in accordance with written policy obtained in #1h above (e.g., rates established for meals, mileage, lodging). If the DA does not have written policies, compared to the GSA rates (#18 above) and determined that the reimbursement did not exceed those rates.

**Results: Two of the three employees selected had meal expenses that exceeded GSA rates. One of the three employees selected had lodging expenses that exceeded GSA rates.**

- b) Observed that each expense is supported by:

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

**Results: No exceptions were found as a result of applying the procedure.**

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

**Results: No exceptions were found as a result of applying the procedure.**

- 3) If applicable, other documentation as required by the written policy obtained in #1h above (e.g., authorization for travel, conference brochure, certificate of attendance).

**Results: As observed in step 1h above, the DA does not have written policies and procedures. This step is not applicable.**

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

**Results: No exceptions were found as a result of applying the procedure.**

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

**Results: No exceptions were found as a result of applying the procedure.**

### **Contracts**

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

**Results: No exceptions were found as a result of applying the procedure.**

- 21. Using the listing or general ledger detail from #20 above, we selected all the contract "vendors" (four) on the listing (excluding purchases on state contract and excluding payments to Carr, Riggs & Ingram, LLC). Obtained the related contracts and paid invoices during the fiscal period related to the four vendors selected and:

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

**Results: One of the four contracts observed did not have a written contract. CRI did not perform any further procedures on that contract.**

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

- 1) If yes, obtained/compared supporting contract documentation to legal requirements and observed that the DA complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

**Results: None of the contracts observed were subject to the Louisiana Public bid Law or Procurement Code. The step is not applicable.**

- 2) If no, obtained supporting contract documentation and observed whether the DA solicited quotes as a best practice.

**Results: There is no documentation that the DA solicited quotes as a best practice.**

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

**Results: No exceptions were found as a result of applying the procedure.**

- d) Selected the largest payment from each of the four contracts, obtained the supporting invoice, compared the invoice to the contract terms as observed in the contract, and observed that the invoice and related payment complied with the terms and conditions of the contract.

**Results: No exceptions were found as a result of applying the procedure.**

- e) Obtained board minutes related to the contract and observed that there is documentation of board approval, if required by policy obtained in #1f above or (e.g. Lawrason Act or Home Rule Charter).

**Results: As documented in steps 1 and 2 above, the DA does not have written policies and procedures nor do they have board minutes. CRI was unable to perform this procedure.**

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

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- 22. Obtained a listing of employees (and elected officials, if applicable) during the fiscal year with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtained their personnel files, and:

- a) Determined compensation paid to each employee during the fiscal period and observed that payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure as observed in the employees' employee personnel files.

**Results: Two of the five employees selected were paid a salary that did not agree with the terms and conditions of the pay rate structure.**

- b) Inspected changes made to hourly pay rates/salaries during the fiscal period and observed that those changes were approved in writing and in accordance with written policy obtained in #1e above.

**Results: CRI observed that changes made to hourly pay rates/salaries during the fiscal period were approved in writing. We were unable to observe if the changes were in accordance with written policy as the DA does not have written policies.**

- 23. Obtained attendance and leave records for the fiscal period and selected one pay period in which leave has been taken by at least one employee. Within that pay period, selected 6 employees/officials (the DA had less than 25 employees during the fiscal period), and:

- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**Results: Employees/selected officials are not required to document their daily attendance and leave. CRI was unable to perform this procedure.**

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

**Results: Employees/selected officials are not required to document their daily attendance and leave. CRI was unable to perform this procedure.**

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

**Results: For five of the six employees selected, CRI was unable to observe written documentation that the DA maintained written leave records for them.**

- 24. Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If any termination payments were made during the fiscal year, selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files and if applicable, employment contracts for the two employees/officials. Observed that the termination payments were made in strict

accordance with the policy obtained in #1e above and/or employment contract and approved by management.

**Results: Management represented that no employees terminated during the fiscal period. As such, CRI was unable to perform the procedure above.**

25. Obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to all payroll taxes and retirement contributions during the fiscal period. Observed that the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines (as identified by management).

**Results: Two of the four Parochial Employee Retirement System quarterly payments were not paid by the required deadline. One of the twelve District Attorney Retirement System monthly payments was not paid by the required deadline.**

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

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

**Results: One employee of the five selected did not complete the required ethics training.**

27. Inquired of management whether any alleged ethics violations were reported to the DA during the fiscal period. If applicable, obtained and inspected documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the DA's ethics policy obtained in #1i above. If management received allegations, observed that management investigated allegations received, and determined that the allegations were addressed in accordance with the policy obtained in #1i above.

**Results: Per Steve Cormier, Administrator, no alleged ethics violations were reported to the District Attorney of the Forty-Second Judicial District during the fiscal period.**

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

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

**Results: Not applicable. No debt was issued during the fiscal period.**

29. If the DA had outstanding debt during the fiscal period, obtained supporting documentation from the DA and observed that the DA made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

**Results: Not applicable. No debt was outstanding during the fiscal period.**

30. If the DA had tax millages relating to debt service, obtained supporting documentation for the millages levied during the fiscal period and observed that millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, observed that there were no millages that continue to be received for debt that has been paid off.

**Results: Not applicable. There were no tax millages relating to the debt service during the fiscal period.**

**Other**

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31. Inquired of management whether the DA had any misappropriations of public funds or assets during the fiscal period. If so, obtained/inspected supporting documentation and observed that the DA reported the misappropriation to the legislative auditor and the district attorney of the district in which the DA is domiciled.

**Results: Per Steve Cormier, Administrator, the District Attorney of the Forty-Second Judicial District did not have any misappropriations of public funds or assets during the fiscal period.**

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

**Results: The District Attorney of the Forty-Second Judicial District does not have the notice required by R.S. 24:523.1 posted on its premises or its website at the time of observation.**

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

**Results: No exceptions were found as a result of applying the procedure.**

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 procedures performed on those C/C areas identified in the SAUPs, and the results of those procedures, 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, & INGRAM, LLC  
Shreveport, Louisiana  
June 30, 2018



**Gary V. Evans**  
**District Attorney**

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June 30, 2018

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Baton Rouge, LA 70804

and

Carr, Riggs & Ingram, LLC  
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Re: Management's Response to Agreed-Upon Procedures

Management of the District Attorney of the Forty-Second Judicial District has reviewed the Independent Accountants' Report on Applying Agreed-Upon Procedures. The District Attorney is in agreement with the report as provided by Carr, Riggs & Ingram, LLC. In addition, the District Attorney will implement policies or procedures where necessary to meet the expectations identified in the report.

A handwritten signature in blue ink, appearing to read "Gary Evans".

Gary Evans  
District Attorney

A handwritten signature in blue ink, appearing to read "Steve Cormier".

Steve Cormier  
Administrator