

**DISTRICT ATTORNEY OF THE EIGHTEENTH
JUDICIAL DISTRICT**

**Parishes of Iberville, Pointe Coupee,
and West Baton Rouge, Louisiana**

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

**DISTRICT ATTORNEY OF THE EIGHTEENTH
JUDICIAL DISTRICT
Parishes of Iberville, Pointe Coupee,
and West Baton Rouge, Louisiana**

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

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**DISTRICT ATTORNEY OF THE EIGHTEENTH
JUDICIAL DISTRICT**

**Parishes of Iberville, Pointe Coupee,
and West Baton Rouge, Louisiana**

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INDEPENDENT AUDITORS' REPORT

Honorable Richard J. Ward, Jr.
District Attorney, 18th Judicial District
Plaquemine, Louisiana 70765

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, 18th Judicial District for the Parishes of Iberville, Pointe Coupee and West Baton Rouge, State of Louisiana, a component unit of the Iberville and West Baton Rouge Parish Councils, and Pointe Coupee 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18th Judicial District for the Parishes of Iberville, Pointe Coupee and West Baton Rouge, State of Louisiana, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–7 and 38–41 be presented to supplement the basic financial statements. Such information, including the health care and pension information on pages 42–47, 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 accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 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.



Major, Morrison & David
New Roads, Louisiana
May 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
PLAQUEMINE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

The Management's Discussion and Analysis (MD&A) of the District Attorney of the Eighteenth Judicial District (District Attorney) provides an overview and overall review of the District Attorney's financial activities for the fiscal year ended December 31, 2017. The intent of the MD&A is to look at the District Attorney's financial performance as a whole. It should, therefore, be read in conjunction with the District Attorney's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

FINANCIAL HIGHLIGHTS

- The District Attorney's total net position increased by \$947,774 over the course of this year's operations.
- During the year, the District Attorney's expenses were \$948,358 less than the \$4,964,586 generated in charges for services and operating grants for governmental programs.
- The total cost of the District Attorney's programs was \$4,016,228, an increase of approximately \$114,972 or 2.95 percent.
- The governmental activities reported an increase (excluding general revenues) this year of \$948,358.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements on pages 9 and 10 are government-wide financial statements that provide information about the activities of the District Attorney as a whole and present a longer-term view of the District Attorney's finances.
- The remaining statements starting on page 11 are fund financial statements that focus on individual parts of the District Attorney's government, reporting the District Attorney's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services, such as judicial services, 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 additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information reporting on internal controls and any compliance findings. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net position on page 9 includes all of the District Attorney's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 10, regardless of when cash is received or paid.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
PLAQUEMINE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

These two statements report the District Attorney's net position and changes in them. Net position – the difference between the District Attorney's assets and liabilities- is one way to measure the District Attorney's financial health, or financial position. Over time, increases and decreases in the District Attorney's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the District Attorney.

The government-wide financial statements of the District Attorney, report only one type of activity – governmental activities. All of the District Attorney's basic services are included here, such as judicial services and general administration.

Fund Financial Statements

The fund financial statements, beginning on page 11, provide more detail about the District Attorney's most significant funds – not the District Attorney as a whole. State laws require the establishment of some funds. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

The District Attorney uses only the governmental type of fund with the following accounting approach. Most of the District Attorney's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Net position. The District Attorney's combined net position increased between fiscal years 2016 and 2017, increasing to approximately \$2,862,258. (See Table 1 below):

**Table 1
District Attorney's Net Position**

	Governmental Activities 2016	Governmental Activities 2017
Current and other assets	\$ 2,455,276	\$ 3,516,114
Capital assets	<u>97,124</u>	<u>81,100</u>
Total assets	<u>2,552,400</u>	<u>3,597,214</u>
Deferred Outflows of Resources	<u>600,653</u>	<u>578,894</u>
Current liabilities	138,502	119,480
Noncurrent liabilities	<u>895,844</u>	<u>1,002,931</u>
Total liabilities	<u>1,034,346</u>	<u>1,122,411</u>
Deferred Inflows of Resources	<u>204,223</u>	<u>191,439</u>

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
PLAQUEMINE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

Net position:

Invested in capital assets, net of related debt	90,059	81,100
Restricted – IV-D Program	61,462	43,341
Restricted – Worthless Check Program	44,373	49,397
Restricted – Early Intervention Program	8,244	-0-
Unrestricted	<u>1,710,346</u>	<u>2,688,420</u>
Total net position	<u>\$ 1,914,484</u>	<u>\$ 2,862,258</u>

Net position of the District Attorney's governmental activities increased by 49.5 percent to \$2,862,258.

Changes in net position. The District Attorney's total revenues increased by 7.16 percent to \$4.96 million (See Table 2), due increased fines, fees & costs, and forfeitures. Approximately 75 percent of the District Attorney's revenue comes from fines, fees, and forfeitures collected from defendants in civil and criminal cases.

The total cost of all programs and services increased approximately \$114,972 or 2.95 percent due to increasing personnel benefits and costs and various operating expenses. The District Attorney's expenses cover all services performed by its office.

Governmental Activities

Revenues for the District Attorney's governmental activities increased by 7.16 percent, while total expenses increased 2.95 percent.

**Table 2
Changes in District Attorney's Net Position**

	Governmental Activities 2016	Governmental Activities 2017
Revenues		
Program Revenues		
Charges for services	\$ 3,335,989	\$ 3,702,511
Federal, State & local grants	1,292,866	1,262,075
Other revenues	<u>2,634</u>	<u>(584)</u>
Total revenues	<u>4,631,489</u>	<u>4,964,002</u>
Expenses		
General government	<u>3,901,256</u>	<u>4,016,228</u>
Total expenses	<u>3,901,256</u>	<u>4,016,228</u>
Increase (decrease) in net position	<u>\$ 730,233</u>	<u>\$ 947,774</u>

**Table 3
Net Cost of District Attorney's Governmental Activities**

	Total Cost of Services 2017	Net Cost of Services 2017
Judicial Services	3,788,676	1,006,478
IV-D Program	<u>227,552</u>	<u>(58,120)</u>
Total	<u>\$4,016,228</u>	<u>\$ 948,358</u>

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
PLAQUEMINE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of \$3,396,634, reflecting an increase over the prior year of \$1,074,209. Of this fund balance, \$43,341 is restricted for use in the IV-D program, \$49,397 is assigned for the worthless check program, and \$3,303,896 is unassigned within the general fund and therefore available for spending. The increase in fund balance was due mainly to increases in revenues from fines, fees & costs, and forfeitures with slight increases in operating costs and personnel benefits.

General Fund Budgetary Highlights

During the year, the District Attorney revised its General, IV-D, Worthless Check and Early Intervention budgets once. The budget amendment was to increase appropriations to prevent budget overruns and revise increased revenue estimates as well as expenses associated with the increased revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the District Attorney had invested \$81,100 in capital assets. (See Table 4).

**Table 4
District Attorney's Capital Assets
(net of accumulated depreciation)**

	Governmental Activities 2016	Governmental Activities 2017
Vehicles	42,655	27,323
Furniture and equipment	<u>54,469</u>	<u>53,777</u>
Total	<u>\$ 97,124</u>	<u>\$ 81,100</u>

Debt

At year-end, the District Attorney had no long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 75 percent of the District Attorney's revenues are derived from fines, fees, and forfeitures from civil and criminal cases. The District Attorney's fines and fees are expected to increase slightly from the prior year with grant income to remain relatively stable from the IV-D federal award program. Personnel benefit costs will increase due to increases in retirement costs and health insurance. Other costs will be managed in order to remain within estimated revenues generated. The budget for the year 2018 will be monitored closely in order to reduce non-essential spending and operate within the expected revenues to be generated.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors 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 the Honorable Richard J. Ward, Jr., District Attorney of the Eighteenth Judicial District Iberville Parish Courthouse P.O. Drawer 880 Plaquemine, Louisiana 70765.

BASIC FINANCIAL STATEMENTS

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

Statement of Net Position

December 31, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,513,400
Investments	951,934
Accounts receivable	19,246
Grants receivable	31,534
Capital assets, net of depreciation	81,100
	<hr/>
Total Assets	3,597,214
DEFERRED OUTFLOWS OF RESOURCES	
Resources related to pensions	578,894
Total deferred outflows of resources	578,894
LIABILITIES	
Accounts payable and accrued expenses	119,480
Long term liabilities:	
Net pension liability	548,603
Other post-employment benefits	454,328
	<hr/>
Total Liabilities	1,122,411
DEFERRED INFLOWS OF RESOURCES	
Resources related to pensions	191,439
Total deferred inflows of resources	191,439
NET POSITION	
Invested in capital assets, net of related debt	81,100
Restricted for:	
IV-D Program	43,341
Worthless Check Program	49,397
Unrestricted (deficit)	2,688,420
	<hr/>
Total net position	\$ 2,862,258

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

Statement of Activities

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government - Judicial	\$ 3,788,676	\$ 3,702,511	\$ 1,092,643	\$ 1,006,478
Health and welfare	227,552	0	169,432	(58,120)
Total governmental activities	<u>4,016,228</u>	<u>3,702,511</u>	<u>1,262,075</u>	<u>948,358</u>
General revenues:				
Gain (loss) on sale of assets				(7,398)
Unrestricted investment earnings				<u>6,814</u>
Total general revenues				<u>(584)</u>
Change in net position				947,774
Net position - beginning of the year				<u>1,914,484</u>
Net position - end of the year				<u><u>\$ 2,862,258</u></u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
Balance Sheet - Governmental Funds

December 31, 2017

	GENERAL FUND	IV-D FUND	WORTHLESS CHECK FUND	EARLY INTERVENTION FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	\$ 2,437,437	\$ 26,566	\$ 49,397	\$ 0	\$ 2,513,400
Investments	951,934	0	0	0	951,934
Receivables	21,746	29,034	0	0	50,780
Total Assets	\$ 3,411,117	\$ 55,600	\$ 49,397	\$ 0	\$ 3,516,114
LIABILITIES & FUND BALANCE					
Liabilities:					
Accounts payable	\$ 35,310	\$ 562	\$ 0	\$ 0	\$ 35,872
Payroll deductions and withholdings	71,911	11,697	0	0	83,608
Total Liabilities	107,221	12,259	0	0	119,480
Fund Balances:					
Restricted for:					
Federal & state grants	0	43,341	0	0	43,341
Assigned for:					
Worthless checks	0	0	49,397	0	49,397
Unassigned	3,303,896	0	0	0	3,303,896
Total Fund Balances	3,303,896	43,341	49,397	0	3,396,634
TOTAL LIABILITIES & FUND BALANCE	\$ 3,411,117	\$ 55,600	\$ 49,397	\$ 0	\$ 3,516,114

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position**

For the Year Ended December 31, 2017

Total fund balance - governmental funds	\$ 3,396,634
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.	81,100
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - governmental funds.	
Net pension liability	(548,603)
Other postemployment benefits	(454,328)
Deferred outflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	578,894
Deferred inflows of resources related to pensions do not require the use of current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.	<u>(191,439)</u>
Total net position of governmental activities	<u>\$ 2,862,258</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
GOVERNMENTAL FUNDS

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

	GENERAL FUND	IV-D FUND	WORTHLESS CHECK FUND	EARLY INTERVENTION FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 2,882,254	\$ 0	\$ 10,535	\$ 0	\$ 2,892,789
Intergovernmental revenues:					
Parish police juries	673,860	0	0	0	673,860
Federal grants	0	169,432	0	0	169,432
Other	35,759	0	0	0	35,759
On-Behalf salaries & benefits received	1,065,143	0	0	0	1,065,143
Interest earnings	6,814	0	0	0	6,814
Other revenues	4,707	0	0	0	4,707
Total revenues	4,668,537	169,432	10,535	0	4,848,504
EXPENDITURES					
Salaries and related benefits	1,452,011	200,746	0	0	1,652,757
On-Behalf salaries & benefits paid	1,065,143	0	0	0	1,065,143
Legal and accounting	31,452	0	0	0	31,452
Insurance	118,718	10,915	0	0	129,633
Office supplies	147,452	3,953	0	0	151,405
Repairs and maintenance	59,785	735	0	0	60,520
Utilities	23,848	5,566	0	0	29,414
Capital outlay	28,127	0	0	0	28,127
Miscellaneous	614,696	5,637	5,511	0	625,844
Total expenditures	3,541,232	227,552	5,511	0	3,774,295
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,127,305	(58,120)	5,024	0	1,074,209
OTHER FINANCING SOURCES (USES)					
Sale of fixed assets	0	0	0	0	0
Transfers in	8,244	40,000	0	0	48,244
Transfers out	(40,000)	0	0	(8,244)	(48,244)
Total other financing sources (uses)	(31,756)	40,000	0	(8,244)	(0)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,095,549	(18,120)	5,024	(8,244)	1,074,209
FUND BALANCE AT BEGINNING OF YEAR	2,208,347	61,461	44,373	8,244	2,322,425
FUND BALANCE AT END OF YEAR	\$ 3,303,896	\$ 43,341	\$ 49,397	\$ 0	\$ 3,396,634

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities**

For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ 1,074,209

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. This is the amount which capital outlays exceeded depreciation in the current period.

Capital outlays	28,127
Depreciation	(29,689)

Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities only gains or losses are reported:

Gain (loss) on the disposal of capital assets	(7,398)
Proceeds from the sale of capital assets	0

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

(Increase) decrease in other post-employment benefits	(65,020)
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Governmental funds report current year pension contributions as expenditures. However, in the statement of activities it is an actuarially calculated expense. This represents the difference between pension contributions and actuarially calculated expense.

	(175,351)
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The District Attorney's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.

	<u>122,896</u>
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Change in net position of governmental activities

	<u><u>\$ 947,774</u></u>
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The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Statement of Fiduciary Net Position
December 31, 2017**

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	<u>\$ 1,609,356</u>
Total Assets	<u><u>\$ 1,609,356</u></u>
LIABILITIES	
Amounts held in custody for others	<u>1,609,356</u>
Total Liabilities	<u><u>\$ 1,609,356</u></u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Notes to the Financial Statements
As of and For the Year Ended December 31, 2017**

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the Grand Jury in his district, and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs 40 people.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Attorney of the 18th Judicial District, a component unit of the Iberville and West Baton Rouge Parish Council, and Pointe Coupee Parish Police Jury, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments*, issued June 1999.

B. REPORTING ENTITY

The district attorney is an independent elected official; however, the district attorney is fiscally dependent on the Iberville and West Baton Rouge Parish Councils, and Pointe Coupee Parish Police Jury. The police jury and councils maintain and operate the parish courthouses in which the district attorney's offices are located and provide funds for payroll and other expenses of the district attorney's office. In addition, the councils' and police jury's financial statements would be incomplete or misleading without inclusion of the district attorney. For these reasons, the district attorney was determined to be a component unit of the Iberville and West Baton Rouge Parish Council and Pointe Coupee Parish Police Jury, the financial reporting entities of the Iberville, Pointe Coupee, and West Baton Rouge Parishes.

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

C. FUND ACCOUNTING

The district attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain district attorney functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the district attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the district attorney. The following are the district attorney's governmental funds:

General Fund – the primary operating fund of the district attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to district attorney policy. The general fund also includes the pre-trial diversion program.

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Title IV-D Special Revenue Fund

The Title IV-D Special Revenue Fund 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 fund 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 child, spousal and medical support.

Worthless Check Collection Fee Special Revenue Fund

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

Early Intervention Fund

The Early Intervention Fund consists of federal grants passed through the Pointe Coupee, Iberville, and West Baton Rouge Parish School Boards and the Louisiana Division of Administration, Office of Community Development- Disaster Recovery Unit, state aid, and a local benefactor's donations, which provide funding for the purpose of providing students in pre-kindergarten through the eighth grade with services which will help them to avoid behavioral problems, delinquency, violent crimes, substance abuse and to achieve more success in their educational endeavors. This fund and program was closed out in the prior fiscal year with the remaining non-federal funds transferred to the general fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the district attorney as a whole. These statements include all the financial activities of the district attorney. Information contained in these statements reflect 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

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

Fund Financial Statements (FFS)

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

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

Revenues

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Deferred Revenues

Deferred revenues arise when the district attorney receives resources before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the district attorney has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2017 was completed, published, and made available for public inspection on December 8, 2016. The public hearing was held at the District Attorney's office on December 21, 2016 for comments from taxpayers. The budget was legally adopted and amended, as necessary, by the District Attorney following the public hearing. All expenditure appropriations lapse at year end. The District Attorney has sole authority to make changes or amendments within various budget classifications. One amendment was made to the General Fund, IV-D, Worthless Check & Early Intervention Special Revenue Fund budgets for the year ended December 31, 2017.

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The on-behalf payments received and paid by the State of Louisiana and the parish councils and jury are not budgeted or reflected in the Budgetary Comparison Schedule- General Fund in this report. The net effect of reflecting the receipt and payment of salaries and benefits on-behalf is zero. A reconciliation of total revenues and expenditures for the General Fund follows:

	Total Revenue	Total Expenditures
Actual – Page 13	\$ 4,668,537	\$ 3,541,232
On-Behalf Payments	1,065,143	1,065,143
Budget – Page 38	\$ 3,603,394	\$ 2,476,089

F. ENCUMBRANCES

The district attorney does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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 or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the district attorney’s investment policy. The district attorney may invest in United States bonds, treasury notes, or certificates of deposits. 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. GASB Statement No. 31 allows the district attorney to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The district attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Equipment & furniture	5 years
Vehicles	5 – 10 years

J. BAD DEBTS

The District Attorney uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No charge offs have occurred in the current or previous years of the District Attorney’s operations.

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K. OTHER POSTEMPLOYMENT BENEFITS

In November 2004, the GASB issued Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.” This statement requires the accrual of other postemployment benefits for retired employees. The district attorney has recorded a liability for other postemployment benefits as of December 31, 2017.

In government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

L. COMPENSATED ABSENCES

The district attorney has the following policy relating to paid time off (PTO) that applies to vacation, sick, and personal time, which are non-cumulative and non-vesting:

All office personnel are allowed 4 weeks of paid time off per year, which is prorated the initial year and final year of employment and applies as follows:

- 2 weeks of PTO for 1 year of service
- 3 weeks of PTO for 2 years of service
- 4 weeks of PTO for 3 or more years of service

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The district attorney follows GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. This statement provides guidance for reporting deferred outflows, deferred inflows and net position in a statement of financial position and related disclosures and applies to transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. The district attorney’s deferred outflows/inflows of resources consist of resources related to pensions (see Note 7).

N. PENSIONS

Financial reporting information pertaining to the district attorney’s participation in the District Attorney’s Retirement System (DARS) and the Parochial Employee’s Retirement System (PERS) is prepared in accordance with GASB Statement No. 68, “Accounting and Financial Reporting for Pensions”, as amended by GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date”, which have been adopted by the district attorney for the fiscal year ended December 31, 2015.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of DARS & PERS have been determined on the same basis as they are reported by DARS & PERS. The financial statements were prepared using the accrual basis of accounting, member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing DARS & PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the district attorney’s proportionate share of the plan’s net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. See note 7 for additional information.

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O. RESTRICTED NET POSITION

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

- 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) imposed by law through constitutional provisions or enabling legislation.

P. FUND EQUITY

Beginning with the fiscal year ending December, 2011, the District Attorney adopted Governmental Accounting Standards Board (GASB) Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

Nonspendable – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for specific purposes determined by formal action of the District Attorney, who is the highest level of decision-making authority for the District Attorney, 18th Judicial District. Commitments cannot be used for any other purpose unless the same action that established them decides to modify or remove them.

Assigned – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the District Attorney or individual designated for that purpose.

Unassigned – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the District Attorney considers the most restrictive funds to be used first. However, the District Attorney reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

Q. USE OF ESTIMATES

The preparation of financial statements in conformity with 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.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had actual expenditures over budgeted appropriations for the year ended December 31, 2017:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
None	\$ 0	\$ 0	\$ 0	\$ 0

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3. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the District Attorney’s deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the District Attorney. The District Attorney’s cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the District Attorney as of December 31, 2017. Deposits are listed in terms of whether they are exposed to custodial credit risk.

	<u>Uninsured & Uncollateralized</u>	<u>Uninsured & collateralized With securities held by Pledging Institution or it’s Trust Department/Agent But not in the Entity’s Name</u>	<u>Total Bank Balances - All Deposits</u>	<u>Total Carrying Value - All Deposits</u>
Cash and Cash Equivalents	\$ _____ -	\$ _____ -	\$ <u>4,308,403</u>	\$ <u>4,122,756</u>

Total bank balances and total carrying amount of deposits includes cash in the agency funds at year-end of \$1,609,356.

B. Investments

Investments are stated at fair value which approximates cost. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The District Attorney’s investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the District Attorney’s opinion that since these securities are governmental agencies, credit risk is not a factor.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District Attorney will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty’s trust department or agent but not in the name of the District Attorney. The following chart presents the investment position of the District Attorney as of December 31, 2017. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

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Investments

	<u>Uninsured, Unregistered, and Held by the Counterparty</u>	<u>Uninsured, Unregistered & Held by the Counterparty's Trust Department or Agent But not in the Entity's Name</u>	<u>All Investments - Reported Amount</u>	<u>All Investments - Fair Value</u>
Certificates of Deposit	-	-	\$ 951,934	\$ 951,934
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951,934</u>	<u>\$ 951,934</u>

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The District Attorney's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at December 31, 2017 are summarized below:

<u>Investment</u>	<u>Fair Value</u>	<u>0-1 Years Before Maturity</u>	<u>1-5 Years Before Maturity</u>	<u>6+ Years Before Maturity</u>
Certificates of Deposit	\$ 951,934	655,954	295,980	-
Total	<u>\$ 951,934</u>	<u>\$ 655,954</u>	<u>\$ 295,980</u>	<u>\$ -</u>

4. RECEIVABLES

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

	<u>General Fund</u>	<u>IV-D Fund</u>	<u>Total</u>
Accounts Receivable	\$21,746	\$ 29,034	\$50,780

5. CAPITAL ASSETS

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

	<u>Furniture & Equipment</u>	<u>Automobiles</u>	<u>Total</u>
Cost of capital assets, December 31, 2016	\$ 337,541	\$ 74,004	\$ 411,545
Additions	28,127	0	28,127
Deletions	<u>28,260</u>	<u>31,969</u>	<u>60,229</u>
Cost of capital assets, December 31, 2017	<u>337,408</u>	<u>42,035</u>	<u>379,443</u>
Accumulated depreciation, December 31, 2016	283,073	31,347	314,420
Additions	21,282	8,407	29,689
Deletions	<u>20,724</u>	<u>25,042</u>	<u>45,766</u>
Accumulated depreciation, December 31, 2017	<u>283,631</u>	<u>14,712</u>	<u>298,343</u>

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Capital assets net of accumulated Depreciation, at December 31, 2017	<u>\$ 53,777</u>	<u>\$ 27,323</u>	<u>\$ 81,100</u>
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Depreciation expense of \$29,689 and \$44,388 for the years ended December 31, 2017 and 2016, respectively, was charged to the general governmental function.

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$119,480 as of December 31, 2017, are as follows:

	<u>General Fund</u>	<u>IV-D Fund</u>
Accounts	\$ 35,310	\$ 562
Salaries and withholdings	<u>71,911</u>	<u>11,697</u>
Totals	<u>\$107,221</u>	<u>\$ 12,259</u>

7. PENSION PLANS

Substantially all employees of the District Attorney are members of either the Louisiana District Attorneys Retirement System or the Parochial Employees' Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Louisiana District Attorneys Retirement System

Plan Description. The District Attorney's Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3 percent 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

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has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced by 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 contribution members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Upon 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, contribution 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 refund cancels all accrued rights in the System.

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit (not to exceed \$60 per month), and all retired members and surviving beneficiaries who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases, the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

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

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

Prior to January 1, 1990, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

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Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The rate from July 1, 2017 to June 30, 2018 was 0.00 percent of covered payroll (0.00% in prior year). Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district attorney's contributions to the System for the years ending December 31, 2017, 2016, and 2015, were \$0, \$14,089 and \$38,212 respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$116,989 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 \$383,904 for its proportionate share of 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 district attorneys, actuarially determined. At June 30, 2017, the district attorney's proportion was 1.423331%, which was an increase of 0.159683% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the district attorney recognized pension expense of \$139,984. At December 31, 2017, the district attorney recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 100,928
Changes in assumptions	172,120	45,305
Net difference between projected and actual earnings on pension plan investments	154,068	-
Changes in proportion and differences between district attorney's contributions and proportionate share of contributions	31,660	15,430
District Attorney contributions subsequent to the measurement date	-	-
	<u>-</u>	<u>-</u>
Total	<u>\$ 357,848</u>	<u>\$ 161,663</u>

The \$0 reported as deferred outflows of resources relating to pensions resulting from the district attorney contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$ 11,269
2019	87,102
2020	43,500
2021	12,477
2022	19,582
Thereafter	<u>22,255</u>
Total	<u>\$ 196,185</u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Actuarial Cost Method:	Entry Age Normal Cost.
Investment Rate of Return:	6.75%, net of investment expense.
Projected Salary increases:	5.5% (2.50% inflation, 3.0% merit).
Mortality Rates	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set-back 1 year for females) for employees, annuitants, & beneficiaries. The RP-2000 Disabled Lives Mortality Table (set-back 5 years for males & 3 years for females) for disabled annuitants.
Cost of Living Adjustments	Only those previously granted.
Expected Remaining Service Lives	7 years.

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

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

Best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Target Asset Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	61.72%	11.31%	
Fixed Income	28.95%	6.84%	
Alternatives	8.85%	10.50%	
Cash	0.48%	0.50%	
Totals	<u>100%</u>		6.56%
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>9.06%</u>

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

Sensitivity to Changes in Discount Rate. The following presents the district attorney's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the district attorney's 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 as of June 30, 2017:

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	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
District Attorney's proportionate share of the net pension liability	\$ 1,097,052	\$ 383,904	\$ (151,603)

The District Attorneys' Retirement System has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

B. Parochial Employees' Retirement System of Louisiana

Plan Description. Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing 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 the System. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district attorney are members of Plan A. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

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

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

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Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump-sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

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

Cost of Living Increases:

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 12.50 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System under Plan A for the years ending December 31, 2017, 2016, and 2015, were \$61,897, \$61,910, and \$83,145, respectively, equal to the required contributions for each year. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$5,907 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 \$164,699 for its proportionate share of net pension

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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 district attorneys, actuarially determined. At December 31, 2016, the district attorney's proportion was .079970%, which was a decrease of 0.020039% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the district attorney recognized pension expense of \$35,367. At December 31, 2017, the district attorney recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 28,821
Changes in assumptions	31,269	-
Net difference between projected and actual earnings on pension plan investments	127,813	-
Changes in proportion and differences between district attorney's contributions and proportionate share of contributions	67	955
District Attorney contributions subsequent to the measurement date	<u>61,897</u>	<u>-</u>
Total	<u>\$ 221,046</u>	<u>\$ 29,776</u>

The \$61,897 reported as deferred outflows of resources relating to pensions resulting from the district attorney contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$ 47,844
2019	51,608
2020	33,376
2021	(3,455)
2022	-0-
Thereafter	<u>-0-</u>
Total	<u>\$ 129,373</u>

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Plan A – Entry Age Normal
Investment Rate of Return:	7.00%, net of investment expense, including inflation.
Projected Salary increases:	5.25% (2.50% inflation, 2.75% merit).
Mortality Rates	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Expected Remaining Service Lives	4 years.

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Discount Rate. The discount rate used to measure the total pension liability for Plan A was 7.00%. 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 by the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 rate of return is 7.66% for the year ending December 31, 2016.

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

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

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct tables set back 4 years for males and 3 years for females was used.

Sensitivity to Changes in Discount Rate. The following presents the district attorney's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the district attorney's 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 as of December 31, 2016:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District Attorney's proportionate share of the net pension liability	\$ 492,682	\$ 164,699	\$ (112,620)

The Parochial Employees' Retirement System has issued a stand-alone audit report on their financial statements for the year ended December 31, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lila.la.gov.

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8. DEFERRED COMPENSATION PLAN

Employees of the District Attorney may participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. The District Attorney's office has agreed to contribute a matching amount on a dollar for dollar basis of the employee's deferral up to a maximum of 6% of gross wages determined in the initial year of the plan or employment if hired after that date. Contributions made by the District Attorney for the year ending December 31, 2017, 2016, and 2015, were \$58,875, \$57,765, and \$55,851, respectively. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The District's medical benefits are provided through a comprehensive medical plan and are made available to certain employees upon actual retirement. Only a retiring District Attorney with at least 25 years of service is eligible for retiree medical benefits to be paid by the employer. Benefits are governed by applicable Louisiana Law (R.S. 16:516).

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

Fund Policy – Until 2009, the District recognized the cost of providing post-employment medical benefits (the District's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the District's portion of health care funding cost for retired employees totaled \$0 and \$0, respectively.

Effective January 1, 2009, the District implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

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

		2017
Normal cost	\$	24,895
30-year UAL amortization amount		47,067
Annual required contribution (ARC)	\$	71,962

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

	2016	2017
Beginning Net OPEB Obligation	\$ 325,925	\$ 389,308
Annual required contribution	69,194	71,962
Interest on Net OPEB Obligation	13,037	15,572
ARC Adjustment	(18,848)	(22,514)
OPEB Cost	63,383	65,020
Contribution to Irrevocable Trust	-	-
Current year retiree premium	(0)	(0)
Change in Net OPEB Obligation	63,383	65,020
Ending Net OPEB Obligation	\$ 389,308	\$ 454,328

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The following table shows the District's annual other post employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post employment benefits (OPEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2017	\$ 65,020	0.00%	\$ 454,328
December 31, 2016	\$ 63,383	0.00%	\$ 389,308

Funded Status and Funding Progress – In 2017 and 2016, the District made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2015 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2017 was \$846,439 which is defined as that portion, as determined by a particular actuarial cost method (the District uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2016</u>	<u>2017</u>
Actuarial Accrued Liability (AAL)	\$ 813,883	\$ 846,439
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 813,883</u>	<u>\$ 846,439</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 200,893	\$ 210,711
UAAL as a percentage of covered payroll	405.13%	401.71%

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

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

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

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

Turnover Rate – Because of the limited nature of the covered employees, we have not assumed any turnover in this valuation.

Post employment Benefit Plan Eligibility Requirements – Based on past experience and the inherent plan design, it has

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been assumed that entitlement to benefits will commence at the later of age 65 and completion of twenty-five years of service. Medical benefits are provided to employees upon actual retirement.

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

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

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

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retiree and dependents under a fully insured plan. We have used the rates provided which were deemed to be "unblended as mandated GASB Codification Section P50.

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

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

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

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

	OPEB Costs and Contributions		
	FY 2015	FY 2016	FY 2017
OPEB Cost	\$ 61,824	\$ 63,383	\$ 65,020
Contribution	-	-	-
Retiree premium	<u>0</u>	<u>0</u>	<u>0</u>
Total contribution and premium	<u>0</u>	<u>0</u>	<u>0</u>
Change in net OPEB obligation	<u>\$ 61,824</u>	<u>\$ 63,383</u>	<u>\$ 65,020</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	0.00%	0.00%	0.00%

10. LEASES

The district attorney has cancellable operating leases on 4 copiers and 2 postage machines and incurred rental expense in the amount of \$16,612 for the year ended December 31, 2017.

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11. INTERFUND TRANSFERS

The following interfund transfers were incurred during the year ended December 31, 2017:

Transferring Fund	IV-D Fund	General Fund
General Fund	\$ 40,000	
Early Intervention Fund		\$ 8,244

Transfers from the general fund to IV-D fund occurred in order to cover the additional costs of running the child enforcement support program over the federal funds received during the year. Transfers from the early intervention fund to the general fund occurred in order to close the early intervention program and transfer the remaining non-federal funds to the general fund.

12. LITIGATION AND CLAIMS

At December 31, 2017, the district attorney had no pending lawsuits. Litigation costs of \$0 were incurred in the current year.

**13. EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED
IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include expenses of the District Attorney paid from the criminal court funds or from other parish funds for the operation of the District Attorney. Examples include office rent, miscellaneous supplies, and portions of health insurance. The amount of expenses paid by these other agencies has not been determined. See note 16 for other on-behalf payments included in these financial statements.

14. OTHER EMPLOYMENT BENEFITS

The District Attorney provides certain health care and dental benefits for its active employees. Substantially all employees may participate while working for the District Attorney. These benefits are provided through the related councils & police jury and an insurance company, whose monthly insurance premiums are paid by the District Attorney. The cost of employee's benefits totaled \$126,053 and \$171,369 for the years ended December 31, 2017 and 2016, respectively.

15. RISK MANAGEMENT

The District Attorney's office is exposed to risks of loss in the area of workers' compensation. Those risks are handled by purchasing commercial insurance. There was no significant reduction in insurance coverage during the current fiscal year.

16. ON-BEHALF PAYMENTS

The state and the various councils and jury pay a portion of the salaries of the District Attorney and the Assistant District Attorneys. The councils and jury pay the salaries of the office staff with a supplemental payroll from the District Attorney's payroll account. The State of Louisiana provides direct payments of salaries to the district attorney and the assistant district attorneys as designated by the District Attorney's office. These payments, referred to as "on-behalf payments received", provide the district attorney and assistant district attorneys with their base salary (currently \$50,000 and \$45,000, respectively). If the District Attorney's office wishes to pay salaries greater than the amount of salary supplements from the state, the additional amounts are paid out of the councils' or police jury's payroll accounts or the District Attorney's office payroll account. The councils and jury provide the office staff with their base salary and if the District Attorney wishes to pay salaries greater than that amount, the additional amounts are paid out of the District Attorney's payroll account.

In accordance with GASB No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the amount of on-behalf salaries paid directly to the district attorney, assistant district attorneys, and office staff, as well as the related benefits, has been recognized by the District Attorney's Office as revenues and expenditures. The amount recognized for the year ended December 31, 2017 and 2016 was \$1,065,143 and \$1,057,974, respectively.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
Notes to the Financial Statements

17. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the following federal financial assistance programs:

<u>Federal Grants/ Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Expenditures</u>
Department of Health and Human Services Passed through Louisiana Department of Social Services:			
Title IV-D – Reimbursement assistance for child support			
Direct Grant			
Reimbursement Funds	93.563	1304LA4004	\$169,432

This program is funded by indirect assistance payments in the form of reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. The reimbursed payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include 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. Reimbursement payments 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.

18. SUBSEQUENT EVENTS

Management has performed an evaluation of the District Attorney’s activities through May 31, 2018, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on May 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 2,451,500	\$ 2,532,800	\$ 2,882,254	\$ 349,454
Intergovernmental revenues:				
Parish police jury	674,592	674,592	673,860	(732)
Other	41,600	35,100	35,759	659
Interest earnings	1,100	3,250	6,814	3,564
Other revenues	4,000	4,500	4,707	207
Total revenues	3,172,792	3,250,242	3,603,394	353,152
EXPENDITURES				
Salaries and related benefits	1,496,000	1,510,500	1,452,011	58,489
Legal and accounting	30,000	35,000	31,452	3,548
Insurance	164,000	129,000	118,718	10,282
Office supplies	81,500	131,500	147,452	(15,952)
Repairs and maintenance	46,500	61,500	59,785	1,715
Utilities	32,500	25,000	23,848	1,152
Capital outlay	10,000	46,750	28,127	18,623
Miscellaneous	531,500	569,500	614,696	(45,196)
Total expenditures	2,392,000	2,508,750	2,476,089	32,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	780,792	741,492	1,127,305	385,813
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	0	0	0	0
Transfers in	20,000	8,244	8,244	0
Transfers out	(90,000)	(40,000)	(40,000)	0
Total other financing sources (uses)	(70,000)	(31,756)	(31,756)	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	710,792	709,736	1,095,549	385,813
FUND BALANCE AT BEGINNING OF YEAR	2,320,561	2,208,347	2,208,347	0
FUND BALANCE AT END OF YEAR	\$ 3,031,353	\$ 2,918,083	\$ 3,303,896	\$ 385,813

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
IV-D FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental revenues:				
Federal grants	185,000	160,000	169,432	9,432
Total revenues	185,000	160,000	169,432	9,432
EXPENDITURES				
Salaries and related benefits	243,400	206,900	200,746	6,154
Insurance	13,000	13,000	10,915	2,085
Office supplies	4,500	4,500	3,953	547
Repairs and maintenance	1,000	1,000	735	265
Utilities	5,500	5,500	5,566	(66)
Capital outlay	1,000	2,000	0	2,000
Miscellaneous	6,300	6,300	5,637	663
Total expenditures	274,700	239,200	227,552	11,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(89,700)	(79,200)	(58,120)	21,080
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	40,000	40,000	0
Transfers out	0	0	0	0
Total other financing sources (uses)	90,000	40,000	40,000	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	300	(39,200)	(18,120)	21,080
FUND BALANCE AT BEGINNING OF YEAR	54,310	61,461	61,461	0
FUND BALANCE AT END OF YEAR	\$ 54,610	\$ 22,261	\$ 43,341	\$ 21,080

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
WORTHLESS CHECK FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 10,500	\$ 9,500	\$ 10,535	\$ 1,035
Intergovernmental revenues:				
Federal grants	0	0	0	0
Total revenues	10,500	9,500	10,535	1,035
EXPENDITURES				
Salaries and related benefits	0	0	0	0
Legal and accounting	0	0	0	0
Insurance	0	0	0	0
Office supplies	0	0	0	0
Repairs and maintenance	0	0	0	0
Utilities	0	0	0	0
Capital outlay	0	0	0	0
Miscellaneous	3,000	6,000	5,511	489
Total expenditures	3,000	6,000	5,511	489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,500	3,500	5,024	1,524
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	(20,000)	0	0	0
Total other financing sources (uses)	(20,000)	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(12,500)	3,500	5,024	1,524
FUND BALANCE AT BEGINNING OF YEAR	43,824	44,373	44,373	0
FUND BALANCE AT END OF YEAR	\$ 31,324	\$ 47,873	\$ 49,397	\$ 1,524

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
EARLY INTERVENTION FUND**

**BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				(UNFAVORABLE)
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental revenues:				
Federal grants	0	0	0	0
State grants	0	0	0	0
Other revenues	0	0	0	0
Total revenues	0	0	0	0
EXPENDITURES				
Salaries and related benefits	0	0	0	0
Legal and accounting	0	0	0	0
Insurance	0	0	0	0
Office supplies	0	0	0	0
Repairs and maintenance	0	0	0	0
Utilities	0	0	0	0
Capital outlay	0	0	0	0
Miscellaneous	0	0	0	0
Total expenditures	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	0	0
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	0	(8,244)	(8,244)	0
Total other financing sources (uses)	0	(8,244)	(8,244)	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	0	(8,244)	(8,244)	0
FUND BALANCE AT BEGINNING OF YEAR	6,372	8,244	8,244	0
FUND BALANCE AT END OF YEAR	\$ 6,372	\$ 0	\$ 0	\$ 0

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
PLAQUEMINE, LOUISIANA**

**EMPLOYEE HEALTH CARE PLAN
DECEMBER 31, 2017**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	\$0	\$523,066	\$523,066	0%	\$172,908	303%
January 1, 2010	\$0	\$523,066	\$523,066	0%	\$173,196	302%
January 1, 2011	\$0	\$523,066	\$523,066	0%	\$173,773	301%
January 1, 2012	\$0	\$648,832	\$648,832	0%	\$185,865	349%
January 1, 2013	\$0	\$674,785	\$674,785	0%	\$201,169	335%
January 1, 2014	\$0	\$701,776	\$701,776	0%	\$198,408	354%
January 1, 2015	\$0	\$782,580	\$782,580	0%	\$200,644	390%
January 1, 2016	\$0	\$813,883	\$813,883	0%	\$200,893	405%
January 1, 2017	\$0	\$846,439	\$846,439	0%	\$210,711	402%

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
DECEMBER 31, 2017**

Fiscal Year Ended December 31:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
DA's proportion of the net pension liability (asset)	.079970%	.100009%	.108994%	.115803%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
DA's proportionate share of the net pension liability (asset)	\$164,699	\$263,252	\$29,800	\$8,229	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
DA's covered-employee payroll	\$476,234	\$573,414	\$603,300	\$622,937	\$637,695	\$635,441	\$560,787	\$519,624	\$453,020	\$375,608
DA's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.58%	45.91%	4.94%	1.32%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	94.15%	92.23%	99.15%	99.76%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S CONTRIBUTIONS
DISTRICT ATTORNEYS' RETIREMENT SYSTEM
DECEMBER 31, 2017**

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Fiscal Year Ended June 30:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$0	\$26,764	\$49,401	\$71,046	\$74,246	\$69,390	\$62,407	\$34,219	\$-0-	\$-0-
Contributions in relation to the contractually required contribution	<u>\$0</u>	<u>(26,764)</u>	<u>(49,401)</u>	<u>(71,046)</u>	<u>(74,246)</u>	<u>(69,390)</u>	<u>(62,407)</u>	<u>(34,219)</u>	<u>(-0-)</u>	<u>(-0-)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DA's covered-employee payroll	\$922,866	\$764,686	\$705,729	\$728,680	\$724,348	\$711,695	\$693,408	\$684,371	\$585,331	\$585,331
Contribution as a percentage of covered-employee payroll	0.00%	3.50%	7.00%	9.75%	10.25%	9.75%	9.00%	5.00%	0.00%	0.00%

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**SCHEDULE OF DISTRICT ATTORNEY'S CONTRIBUTIONS
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
DECEMBER 31, 2017**

Fiscal Year Ended December 31:	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$61,897	\$61,910	\$83,145	\$96,528	\$100,342	\$100,437	\$100,082	\$88,324	\$63,654	\$57,760
Contributions in relation to the contractually required contribution	<u>(61,897)</u>	<u>(61,910)</u>	<u>(83,145)</u>	<u>(96,528)</u>	<u>(100,342)</u>	<u>(100,437)</u>	<u>(100,082)</u>	<u>(88,324)</u>	<u>(63,654)</u>	<u>(57,760)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
DA's covered-employee payroll	\$495,180	\$476,234	\$573,414	\$603,300	\$622,937	\$637,695	\$635,441	\$560,787	\$519,624	\$453,020
Contribution as a percentage of covered-employee payroll	12.50%	13.00%	14.50%	16.00%	16.75%	15.75%	15.75%	15.75%	12.25%	12.75%

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Notes to Required Supplementary Information
For the Year Ended December 31, 2017**

**District Attorneys' Retirement System
&
Parochial Employees' Retirement System**

Changes in Assumptions or Other Inputs. Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion. Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

SUPPLEMENTAL INFORMATION

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Schedule of Compensation, Benefits, and
Other Payments to Agency Head**

For the Year Ended December 31, 2017

AGENCY HEAD NAME: Richard J. Ward, Jr.

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 147,016
Benefits - insurance	16,559
Benefits - retirement	-
Deferred compensation	6,500
Cell phone	2,324
Dues	448
Travel - mileage reimbursements	7,932
Registration fees	325
Conferences - travel, lodging & meals	2,583
	<hr/>
	\$ 183,687
	<hr/> <hr/>

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 Richard J. Ward, Jr.
District Attorney, 18th Judicial District
Plaquemine, Louisiana 70765

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18th Judicial District for the Parishes of Iberville, Pointe Coupee, and West Baton Rouge, State of Louisiana, a component unit of the Iberville and West Baton Rouge Parish Councils and Pointe Coupee 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 May 31, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 17-1 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 17-1 and 17-2 to be significant deficiencies.

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*.

District Attorney's Response to Findings

The District Attorney's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. 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.

Major, Morrison & David
New Roads, Louisiana
May 31, 2018



**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Schedule of Findings and Responses
For the Year Ended December 31, 2017**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	<u> X </u> yes <u> </u> no
Deficiency(s) in internal controls identified not considered to be material weaknesses?	<u> X </u> yes <u> </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes <u> X </u> no

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 17-1

Criteria: Accounting duties should be segregated to achieve effective internal control and safeguarding of assets.

Condition: Lack of segregation of functions within the accounting system.

Effect: A defalcation or misappropriation of funds could more easily occur.

Cause: Lack of segregation of duties, which permits control to be exercised over the accounting records by a person who also handles or controls cash transactions, recording, and other accounting functions without any intervention by another person.

Recommendation: We recommend that steps be taken to segregate duties within the various accounting functions.

Management's Response: Because of the limited number of accounting personnel, total segregation of accounting duties will not be possible nor cost beneficial. However, management has established and implemented additional review procedures paying close attention to processes handled by the accounting personnel to reduce the risk of potential problems and will continue to review accounting procedures and make internal control improvements that are practical and cost beneficial.

Finding 17-2

Condition: As is common in small organizations, the District Attorney does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such management has chosen to engage the auditor to assist in preparation of the annual financial statements. This condition is intentional by management based upon the District Attorney's limited accounting administrative personnel, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with GAAP. Based on this decision, internal controls over the preparation of the financial statements, including the notes, in accordance with GAAP have not been established. Under generally accepted auditing standards, this represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) No. 115 requires that we report the above condition as a deficiency in internal control. SAS 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Schedule of Findings and Responses
For the Year Ended December 31, 2017**

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS 115 reporting requirements. The District Attorney has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Response: Management has agreed with the auditor's finding and recommendation.

**DISTRICT ATTORNEY OF THE EIGHTEENTH
JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2017**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
16-1	FY98	Lack of segregation.	Partially	Total segregation is impractical. Additional review processes implemented closely monitoring accounting personnel to reduce the risk of potential problems.
16-2	FY07	Lack of experienced staff needed to prepare the financial statements in accordance with GAAP.	Partially	The District Attorney has examined cost & benefits of hiring an internal accountant in order to prepare the financial statements & determined that it is more beneficial to have the auditors prepare the statements with him reviewing before issuance.

Section II – Internal Control and Compliance Material to Federal Awards:

None.

Section III – Management Letter

Reporting on lack of segregation of duties and experienced staff needed to prepare the financial statements resulting in significant control deficiencies.

**DISTRICT ATTORNEY OF THE EIGHTEENTH
JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Corrective Action Plan for
Current Year Audit Findings
For the Year Ended December 31, 2017**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completed</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
17-1	Lack of segregation.	Due to the size of the District Attorney’s office, total segregation of accounting duties is impractical. Management has implemented additional review processes thereby reducing the risk of potential problems.	R. Ward	Ongoing
17-2	The district attorney does not have a staff person who has qualifications & training to apply GAAP in preparing the entity’s financial statements.	The district attorney has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditor prepare the financial statements and notes & review drafts before approving the reports for issuance.	R. Ward	Ongoing

Section II – Internal Control and Compliance Material to Federal Awards:

None.

Section III – Management Letter

We reported on the lack of segregation of duties and of experienced staff to prepare the financial statements resulting in significant control deficiencies.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Honorable Richard J. Ward, Jr.
District Attorney – 18th Judicial District
P.O. Box 880
Plaquemine, La. 70765

We have performed the procedures enumerated below, which were agreed to by the management of the District Attorney – 18th Judicial District (District Attorney) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District Attorney's compliance with certain laws, regulations and best practices during the year ended December 31, 2017. Management of the District Attorney is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
Written policies and procedures were obtained and address the functions noted above.
 - 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.
Written policies and procedures were obtained and address the functions noted above.
 - c) **Disbursements**, including processing, reviewing, and approving
Written policies and procedures were obtained and address the functions noted above.
 - d) **Receipts**, including receiving, recording, and preparing deposits
Written policies and procedures were obtained and address the functions noted above.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the functions noted above.
 - 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
Written policies and procedures were obtained and address the functions noted above.

- 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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
Not applicable
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
Not applicable
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Not applicable

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
Obtained listing of client bank accounts from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations had been prepared for all months.

- 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
The bank reconciliations prepared for all accounts examined did not reflect evidence of management's review.

- 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.

Obtained bank statements and reconciliations for all months in the fiscal period noting management's documentation of research for items that have been outstanding for more than 6 months.

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

Written documentation was obtained and addresses the functions noted above. However not all personal collecting cash at the various locations were bonded. Collections sent to the main accounting office were deposited, recorded, and reconciled all by the controller.

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

Written documentation was obtained and addresses the functions noted above. See item 6(a) above for the exception regarding collections at the main accounting office by the controller.

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

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collections documentation was obtained and deposits were made from 1 to 5 days of collection.

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

Daily cash collections are completely supported by collection documentation.

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

Written policies and procedures were obtained and address the functions noted above. See item 6(a) above for the exception regarding collections at the main accounting office by the controller.

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

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

Obtained a listing of entity disbursements (and complete general ledger) and management's representation that the listing is complete.

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

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

Examined supporting documentation for each of the 25 disbursements selected and found that purchases were initiated using a purchase order equivalent type process.

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

Examined supporting documentation for each of the 25 disbursements selected and found appropriate approval of purchase order equivalents.

- 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.

Examined supporting documentation for each of the 25 disbursements selected and found all payments were processed with proper approval, receiving report, and approved invoice.

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

Written policies and procedures were obtained and it was noted that the personnel responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

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

Written policies and procedures were obtained and address the functions noted above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if

the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Inquiry of management and observation noted no exceptions.

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

Signature stamp is only used for legal correspondence - never on checks, and is used only with the knowledge and consent of the signer. Any signed checks are maintained under the control of the authorized user until mailed.

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

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

Obtained from management complete listing of active credit cards and fuel cards along with representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Selected all credit cards used during the fiscal period (less than 10 used).

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Obtained monthly statement or combined statement for the month with the largest dollar activity and noted supporting documentation, review, and approval in writing by someone other than the cardholder.

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

On the monthly statements or combined statements selected, no finance charges or late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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

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

Supporting documentation was obtained with no exceptions.

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

Supporting documentation was obtained with no exceptions.

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

Supporting documentation was obtained with no exceptions.

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

Each transaction's detail was compared to the District Attorney's purchasing/disbursement policies and the Louisiana Public Bid Law with no exceptions.

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

Each transaction's documentation of the business/public purpose was compared to the requirements of Article 7, Section 14 of the Louisiana Constitution with no exceptions.

Travel and Expense Reimbursement

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

Obtained from management a listing of travel and expense reimbursements by person and management's representation that the listing is complete.

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

Obtained the district attorney's written policies related to travel and expense reimbursements. No amounts listed exceeded GSA rates.

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

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

Expenses were paid in accordance to written policies.

- b) Report whether each expense is supported by:

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

Expenses were supported with no exceptions.

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

Documentation of the business/public purposes was supported with no exceptions.

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

Other documentation as needed was supported with no exceptions.

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

Documentation of the business/public purpose was compared to Article 7, Section 14 of the Louisiana Constitution with no exceptions.

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

Expenses and related documentation were reviewed and approved in writing by someone other than the person receiving reimbursement with no exceptions.

Contracts

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

Obtained listing of all contracts in effect (and general ledger) and management's representation that the listing is complete.

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

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

Formal written contracts were examined supporting the service arrangements and the amounts paid with no exceptions.

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

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

Obtained supporting contract documentation and noted no noncompliance with legal requirements.

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

Obtained supporting contract documentation and noted solicitations for quotes as a best practice.

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

No contracts selected were amended.

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

Selected the largest payment from each contract along with supporting documentation and compared to the contract terms reflecting compliance with the terms and conditions of the contract with no exceptions.

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

Proper approval was obtained on the contracts within the management of the district attorney's office.

Payroll and Personnel

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

Obtained listing of employees with their related salaries and management's representation that the listing is complete.

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

Compensation paid to each employee was reviewed with no exceptions noted.

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

Changes were made one time during the current fiscal period for raises granted by the district attorney and were approved in writing and in accordance with written policy.

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

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

Randomly selected 1/3rd of employees along with documentation of attendance and leave records with no exceptions noted.

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

Of the randomly selected 1/3rd of employees, documentation of attendance and leave records were approved in writing by the required supervisors.

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

Written leave records were maintained on the selected employees who earn leave with no exceptions.

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

Obtained from management a listing of employees that were terminated/resigned during the fiscal period along with management's representation that the listing is complete. All termination payments made during the fiscal period were examined and paid in accordance with written policies and approved by management with no exceptions.

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll

taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Obtained supporting documentation relating to payroll taxes, retirement contributions and reporting forms during the fiscal period, which were submitted to the proper agencies by the required deadlines with no exceptions.

Ethics (excluding nonprofits)

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

Examined the five randomly selected employee’s ethics compliance documentation maintained in personnel files with no exceptions.

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

Management has asserted that they received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

Not applicable.

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

Not applicable.

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

Not applicable.

Other

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

Management had no instances of misappropriation of public funds or assets.

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

The required notice was posted on the district attorney’s premises and website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the District Attorney and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Major, Morrison & David". The signature is written in a cursive, flowing style.

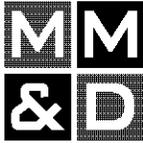
Major, Morrison & David
New Roads, Louisiana
May 31, 2018

**DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana**

**Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended December 31, 2017**

Management Response to Item:

- 4b. Management has corrected this item by reviewing all bank statements on a monthly basis.
- 6a, 6b, & 7 Management is in the process of bonding all personnel who handle cash through individual bonding or a blanket office location bond. Collections that are received in the mail at the main accounting office were deposited, recorded, and reconciled by the controller. This is unavoidable due to the limited accounting personnel (controller) of the District Attorney's office. Additional reviews by the District Attorney paying close attention to documentation on a regular basis help minimize any possible problems occurring.
- 6c. Due to the distance between district offices (3) and collections being forwarded to the accounting office 3 days per week, deposits have not been made on a regular basis within one day (normally 1 to 5 days). Management will double efforts to make all deposits within one day of receipt.
10. Due to the limited accounting personnel within the District Attorney's office, the controller has access and the availability to add vendors to the accounting system. The District Attorney will institute additional written approval processes and restrictions to the accounting system when new vendors need to be added to the system by appointing someone other than the controller to oversee the additions of new vendors.



Major, Morrison & David

Certified Public Accountants

QUALITY • INTEGRITY • DEPENDABILITY

John L. Morrison III, CPA, CGMA, PC

Mark A. David, CPA, PC

John S. Disotell III, CPA, PC

Van P. Major, CPA (1951-2005)

Richard J. Ward, Jr., District Attorney
18th Judicial District
Plaquemine, Louisiana 70765

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the District Attorney's internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We believe that the deficiency referred to as item 17-1 in the following paragraph constitutes a material weakness.

Item 17-1: Lack of segregation of duties within the accounting system.

Item 17-2: Lack of experienced personnel to prepare the financial statements.

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. We consider items 17-1 and 17-2 in the preceding paragraph to be significant deficiencies in internal control.

This communication is intended solely for the information and use of the District Attorney, management, the Legislative Auditor for the state of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major, Morrison & David
New Roads, Louisiana
May 31, 2018