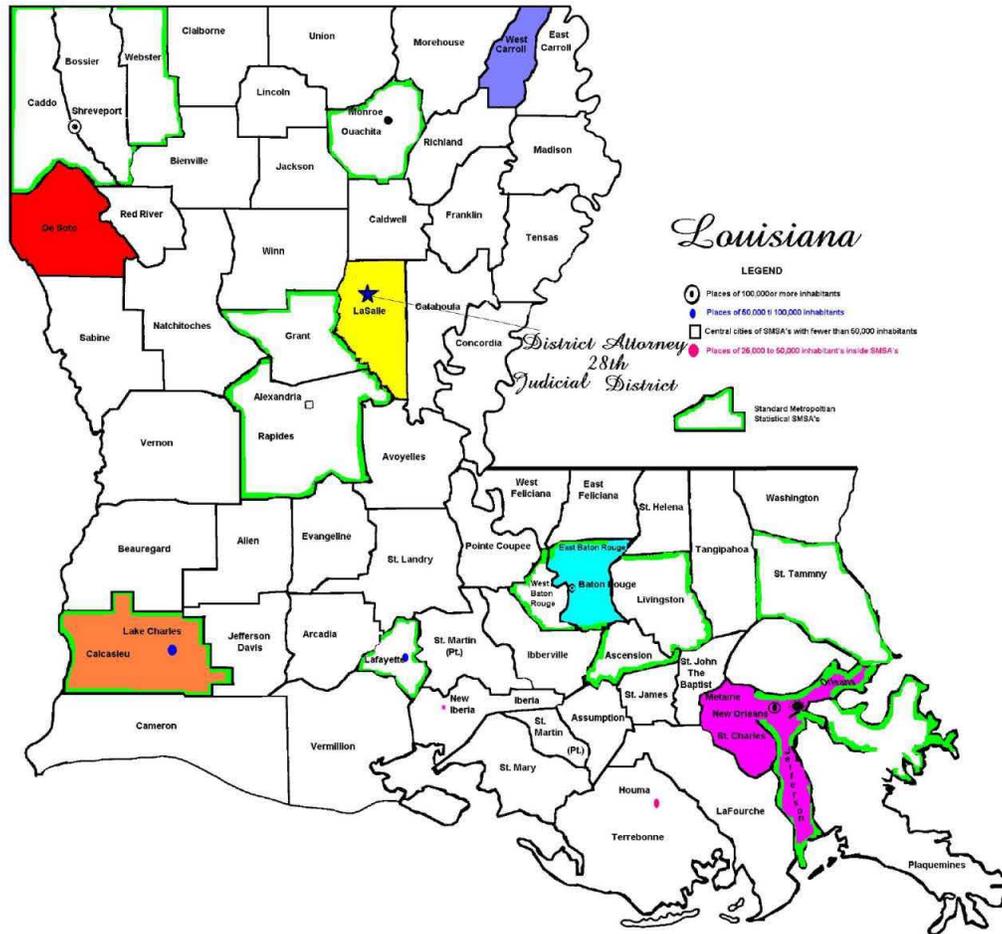


**DISTRICT ATTORNEY  
OF THE  
TWENTY-EIGHTH JUDICIAL DISTRICT**

**Financial Statements &  
Supplemental Financial Information**

**December 31, 2017**

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



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

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

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

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December 31, 2017**

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American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

### **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the District Attorney of the Twenty-Eighth Judicial District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Eighth Judicial District's basic financial statements as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Emphasis of Matter**

As disclosed in the notes to the employer schedules and statements, the office's proportionate share of total net pension liability for the District Attorney's Retirement System, State of Louisiana, was \$42,753 as of December 31, 2017. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability at December 31, 2017, could be under or overstated.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Twenty-Eighth Judicial District's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2018, on our consideration of the District Attorney of the Twenty-Eighth Judicial District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Twenty-Eighth Judicial District’s internal control over financial reporting and compliance.

*The Vercher Group*

Jena, Louisiana

May 29, 2018

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

# District Attorney of the Twenty-Eighth Judicial District

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## MANAGEMENT'S DISCUSSION & ANALYSIS

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As management of the District, we offer readers of the District Attorney of the Twenty-Eighth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

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

### FINANCIAL HIGHLIGHTS

- The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$44,463 (*net position*). Of this amount, \$21,345 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenues of \$757,936 which is a \$14,492 decrease from last year.
- The District had total expenditures of \$755,427 which is a \$3,659 increase from last year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

### FUND FINANCIAL STATEMENTS

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

See accompanying notes and independent auditor's report.

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**MD&A**

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**USING THIS ANNUAL REPORT**

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

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

**Table 1**  
**Balance Sheet**  
**Governmental Activities**

The following table represents a condensed Comparative Statement of Net Position as of December 31, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
<b>Assets</b>			
Cash & Investments	\$ 39,645	\$ 46,482	17.2
Receivables	10,913	7,726	-29.2
Due From Other Funds	1,717	-0-	-100.0
Capital Assets, Net of Accumulated Depreciation	31,827	23,118	-27.4
<b>Total Assets</b>	<u>84,102</u>	<u>77,326</u>	-8.1
<b>Deferred Outflow of Resources</b>			
<b>Pension Fund Related</b>	38,401	43,846	14.2
<b>Liabilities</b>			
Accounts, Salaries, & Other Payables	50,718	55,987	10.4
Due To Other Funds	-0-	1,013	100.0
<b>Total Liabilities</b>	<u>50,718</u>	<u>57,000</u>	12.4
<b>Deferred Inflow of Resources</b>			
<b>Pension Fund Related</b>	23,489	19,709	-16.1
<b>Net Position</b>			
Net Investment in Capital Assets	31,827	23,118	-27.4
Unrestricted	16,469	21,345	29.6
<b>Total Net Position</b>	<u>\$ 48,296</u>	<u>\$ 44,463</u>	-7.9

See accompanying notes and independent auditor's report.

**MD&A**

**Table 2**  
**Changes in Fund Balance**  
**Governmental Funds**

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
<b>Revenues:</b>			
Charges for Services	\$ 71,982	\$ 99,109	37.7
Intergovernmental	97,551	88,535	-9.2
P. T. I. Income	76,022	50,548	-33.5
On Behalf Payments-Police Jury	326,642	310,369	-5.0
On Behalf Payments-State	190,920	187,683	-1.7
Miscellaneous Income	9,311	21,692	133.0
<b>Total Revenues</b>	<u>772,428</u>	<u>757,936</u>	-1.9
<b>Expenditures:</b>			
Worthless Checks	10,348	28,757	177.9
General & Administrative	206,701	213,360	3.2
Cost of Court	6,557	5,110	-22.1
Capital Outlay	-0-	-0-	0.0
Debt Service	6,059	6,059	0.0
On Behalf Payments-Police Jury	326,642	310,369	-5.0
On Behalf Payments-State	190,920	187,683	-1.7
Other Expenses	4,541	4,089	-10.0
<b>Total Expenditures</b>	<u>751,768</u>	<u>755,427</u>	0.5
Increase (Decrease) in Fund Balances	<u>20,660</u>	<u>2,509</u>	-87.9
<b>Beginning Fund Balances</b>	<u>24,540</u>	<u>45,200</u>	84.2
<b>Ending Fund Balances</b>	<u>\$ 45,200</u>	<u>\$ 47,709</u>	5.6

**CAPITAL ASSETS**

*Capital Assets*

At December 31, 2017, the District had \$23,118 invested in capital assets, including furniture and equipment.

**Capital Assets at Year-End**

	<u>2016</u>	<u>2017</u>
Furniture & Equipment	\$ 136,664	\$ 136,664
Accumulated Depreciation	(104,837)	(113,546)
<b>Total Capital Assets, Net of Depreciation</b>	<u>\$ 31,827</u>	<u>\$ 23,118</u>

See accompanying notes and independent auditor's report.

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**MD&A**

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**CAPITAL LEASE**

*Capital Lease*

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

	<u>Lease</u>	<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 13,170	\$ 13,170
Additions	-0-	-0-
Principal Retirement	(5,422)	(5,422)
<b>Total</b>	<u>\$ 7,748</u>	<u>\$ 7,748</u>

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

See accompanying notes and independent auditor's report.

## **Basic Financial Statements**

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Net Position  
December 31, 2017**

<b>ASSETS</b>	<b>GOVERNMENTAL ACTIVITIES</b>
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	\$ 42,562
Investments	3,920
Accounts Receivable	7,726
Capital Assets, Net of Accumulated Depreciation	23,118
<b>TOTAL ASSETS</b>	<u>77,326</u>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
<b>PENSION FUND RELATED</b>	<u>43,846</u>
 <b>LIABILITIES</b>	
Accounts Payable	5,486
Due To Other Funds	1,013
Lease Payable Current	5,753
Lease Payable Non-Current	1,995
Net Pension Liability	42,753
<b>TOTAL LIABILITIES</b>	<u>57,000</u>
 <b>DEFERRED INFLOW OF RESOURCES</b>	
<b>PENSION FUND RELATED</b>	<u>19,709</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	23,118
Unrestricted	21,345
<b>TOTAL NET POSITION</b>	<u>\$ 44,463</u>

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Activities  
Year Ended December 31, 2017**

<b>FUNCTIONS/PROGRAMS</b>	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS</b>	<b>CAPITAL GRANTS</b>	<b>NET (EXPENSE) REVENUE</b>
Governmental Activities:					
General Government – Judicial	\$ (761,132)	\$ 99,109	\$ -0-	\$ -0-	\$ (662,023)
Interest Expense	(637)	-0-	-0-	-0-	(637)
<b>TOTAL</b>	<b>\$ (761,769)</b>	<b>\$ 99,109</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (662,660)</b>
					88,535
					50,548
					310,369
					187,683
					21,692
					<b>658,827</b>
					(3,833)
					48,296
					<b>\$ 44,463</b>

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Balance Sheet – Governmental Funds  
December 31, 2017**

		<b>GENERAL FUND</b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$	42,562
Investments		3,920
Accounts Receivables		7,726
<b>TOTAL ASSETS</b>		54,208
<b>LIABILITIES &amp; FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable		5,486
Due To Other Funds		1,013
<b>TOTAL LIABILITIES</b>		6,499
<b>FUND BALANCES</b>		
Unassigned		47,709
<b>TOTAL FUND BALANCES</b>		47,709
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	\$	54,208

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Reconciliation of the Balance Sheet – Governmental Funds  
to the Statement of Net Position  
Year Ended December 31, 2017**

Fund balances – total governmental funds \$ 47,709

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

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

Capital Assets	136,664	
Less Accumulated Depreciation	<u>(113,546)</u>	23,118

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

Pension Related Inflows	(19,709)	
Pension Related Outflows	<u>43,846</u>	24,137

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

Lease Payable	(7,748)	
Net Pension Liability	<u>(42,753)</u>	<u>(50,501)</u>

Net position of governmental activities \$ 44,463

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Revenues, Expenditures, & Changes in Fund Balance  
Year Ended December 31, 2017**

		<b>GENERAL FUND</b>
<b>REVENUES</b>		
Commissions on Fines	\$	54,952
Worthless Check Collection		44,157
Other Income		21,692
Intergovernmental Revenue		88,535
P. T. I. Income		50,548
On Behalf Payments-Police Jury		310,369
On Behalf Payments-State		187,683
<b>TOTAL REVENUES</b>		<b>757,936</b>
 <b>EXPENDITURES</b>		
Worthless Checks		28,757
Auto Expenditures		4,017
Travel		6,262
Legal & Accounting		3,707
Insurance		200
Dues & Subscriptions		925
Utilities		618
Office Expenditures		22,561
Contract Labor		11,073
Asset Forfeiture		11,088
Cost of Court		5,110
Payroll Expenditures		148,714
Maintenance & Repair		99
Other Expenditures		4,089
Revenue Sharing		4,096
Debt Service		6,059
On Behalf Payments-Police Jury		310,369
On Behalf Payments-State		187,683
<b>TOTAL EXPENDITURES</b>		<b>755,427</b>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>		 <b>2,509</b>
 <b>FUND BALANCE – BEGINNING OF YEAR</b>		 <b>45,200</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$</b>	<b>47,709</b>

See accompanying notes and independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances  
of Government Funds to the Statement of Activities  
Year Ended December 31, 2017**

Net change in fund balances – total governmental funds \$ 2,509

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

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

Pension Revenue	13,028	
Difference in pension expenditures and pension expense	(16,083)	
		(3,055)

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

Deletion of Assets	-0-	
Capital Outlay	-0-	
Depreciation Expense	(8,709)	
		(8,709)

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

Loan Proceeds	-0-	
Principle Paid	5,422	
		5,422

Change in net position of governmental activities \$ (3,833)

See accompanying notes and independent auditor’s report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Fiduciary Net Position  
December 31, 2017**

		<u>AGENCY FUNDS</u>
<b>ASSETS</b>		
Cash	\$	2,356
Due from Other Fund		1,013
<b>TOTAL ASSETS</b>		<u>3,369</u>
 <b>LIABILITIES</b>		
Due to Other Funds		-0-
Payroll Related Liabilities		3,369
<b>TOTAL LIABILITIES</b>	\$	<u>3,369</u>

See accompanying notes and independent auditor's report.

**Notes to the Basic  
Financial Statements**

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**INTRODUCTION**

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

**1. SUMMARY OF SIGNIFICANT POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the District Attorney of the 28<sup>th</sup> Judicial District, a component unit of the LaSalle Parish Police Jury, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments*, issued June 1999.

**B. REPORTING ENTITY**

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

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

**C. 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.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**Governmental Funds:**

***General Fund***

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

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

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

**Fiduciary Funds:**

***Agency Fund***

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

**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 reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

- **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 report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney’s operations. (See the reconciliation statements).

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

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

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

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

***Revenues***

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

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

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

***Expenditures***

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

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

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

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

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

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

***Other Financing Sources (Uses)***

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

**E. DEPOSITS & INVESTMENTS**

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

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

**F. RECEIVABLES & PAYABLES**

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

**G. CAPITAL ASSETS**

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

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

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

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

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

**H. ESTIMATES**

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

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

***Custodial Credit Risk***

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

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

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

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

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

<u>Bank</u>	<u>Bank Balance</u> <u>At 12/31/2017</u>
Southern Heritage Bank	\$ 33,646
Catahoula-LaSalle Bank	-0-
<b>Total</b>	<b>\$ 33,646</b>

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

Amounts on deposit are secured by the following pledges:

Description	Southern Heritage Market Value
FDIC (Category 1)	\$ 33,646
Securities (Category 2)	-0-
<b>Total</b>	<b>\$ 33,646</b>

**3. RECEIVABLES**

The receivables of \$7,726 at December 31, 2017, are as follows:

Accounts Receivable	\$ 7,726
<b>Total</b>	<b>\$ 7,726</b>

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

**4. CAPITAL ASSETS**

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

	Beginning of Period	Additions	Deletions/ Transfers	End of Period
Capital assets being depreciated:				
Equipment & furniture	\$ 136,664	\$ -0-	\$ -0-	\$ 136,664
Less accumulated depreciation:	(104,837)	(8,709)	-0-	(113,546)
Total assets being depreciated, net	\$ 31,827	\$ (8,709)	\$ -0-	\$ 23,118

**5. ACCOUNTS, SALARIES & OTHER PAYABLES**

The payables of \$5,486 at December 31, 2017, are as follows:

Accounts Payable	\$ 5,486
<b>Total Accounts Payable</b>	<b>\$ 5,486</b>

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

**6. PENSION PLANS**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Basis of Accounting

The District Attorneys' Retirement System's employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2017.

System Employees

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

Pension Amount Netting

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

Plan Fiduciary Net Position

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

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

**B. PLAN DESCRIPTION**

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

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

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

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

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

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

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

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

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

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

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

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the back-DROP period. In addition to a reduced monthly

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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

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

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

**C. EMPLOYER CONTRIBUTIONS**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, the actual employer contribution rate was 0%.

Non-Employer Contributions

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2017 and excluded from pension expense.

**D. SCHEDULE OF EMPLOYER ALLOCATIONS**

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

The allocation method used in determining each employer's proportion was based on each employees' contributions to the System during the fiscal year ended June 30, 2017, as compared to the total of all employees' contributions received by the System during the fiscal year ended June 30, 2017.

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

**E. SCHEUDLE OF PENSION AMOUNTS BY EMPLOYER**

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

**F. ACTUARIAL METHODS AND ASSUMPTIONS**

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

The component of the net pension liability of the System's employers as of June 30, 2017 are as follows:

	<b>2017</b>
Total Pension Liability	\$ 419,576,007
Plan Fiduciary Net Position	<u>(392,603,825)</u>
Total Collective Net Pension Liability	<u>\$ 26,972,182</u>

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.75%, net of investment expense
Projected Salary Increases	5.50% (2.50% Inflation, 3.00% Merit)
Mortality Rates	The RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) for employee, annuitant, and beneficiary.
	The RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
Expected Remaining Service Lives	7 years
Cost of Living Adjustment	Only those previously granted

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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

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

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

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

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Rate 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%	
System Totals	100.00%		6.50%
Inflation			2.50%
Expected Arithmetic Nominal of Return			9.06%

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**G. SENSITIVITY TO CHANGES IN DISCOUNT RATE**

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

	Changes in Discount Rate		
	2017		
	1%	Current	1%
	Decrease 5.75%	Discount Rate 6.75%	Increase 7.75%
Net Pension Liability / (Asset)	\$77,076,391	\$26,972,182	\$(15,604,374)

**H. CHANGES IN NET PENSION LIABILITY:**

The changes in net pension liability for the year ended June 30, 2017, were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred inflows of resources as of June 30, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$ -	\$ 1,796,724	\$ (256,675)	\$ -	\$ 1,540,049
2016	-	1,702,917	(283,819)	-	1,419,098
2015	-	1,520,989	(380,247)	-	1,140,742
2014	-	4,486,604	(1,495,534)		2,991,070
			Totals	\$ -	\$ 7,090,959

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

*Differences between Projected and Actual Investment Earnings:*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred inflow of resources as of June 30, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017		Net Deferred Inflows Balance
				Deferred Outflows	Deferred Inflows	
2017	\$ -	\$ 2,495,921	\$ (499,184)	\$ -	\$ 1,996,737	\$ (1,996,737)
2016	15,140,178	-	3,785,045	11,355,133	-	11,355,133
2015	10,191,062	-	3,397,020	6,794,042	-	6,794,042
2014	-	10,655,882	(5,327,941)	-	5,327,941	(5,327,941)
			Totals	<u>\$ 18,149,175</u>	<u>\$ 7,324,678</u>	<u>\$ 10,824,497</u>

*Changes in Assumptions or Other Inputs:*

Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs results in deferred outflows of resources and deferred inflows of resources as of June 30, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$ 11,300,225	\$ -	\$ 1,614,318	\$ 9,685,907	\$ -
2016	-	-	-	-	-
2015	-	4,244,108	(1,061,027)	-	3,183,081
2014	3,610,226	-	1,203,409	2,406,817	-
			Totals	<u>\$ 12,092,724</u>	<u>\$ 3,183,081</u>

*Changes in Proportion:*

Changes in employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employers' pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employer's proportionate shares are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of June 30, 2017.

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

**I. CONTRIBUTIONS – PROPORTIONATE SHARE**

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

**J. ESTIMATES**

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

**K. RETIREMENT SYSTEM AUDIT REPORT**

The District Attorneys’ Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2017. Access to the report can be found on the Louisiana Legislative Auditor’s website, [www.la.la.gov](http://www.la.la.gov).

**7. ON-BEHALF PAYMENTS**

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

**8. AGENCY FUND**

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

<b>Receipts</b>	
Transfers from Various Funds	\$ <u>148,714</u>
<b>Disbursements</b>	
Salaries, Taxes and Benefits	\$ <u>148,714</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**9. DUE FROM/TO OTHER FUNDS**

		<u>Due From</u>		<u>Due To</u>		<u>Total</u>
General Fund	\$	-0-	\$	(1,013)	\$	(1,013)
Agency Fund		1,013		-0-		1,013
<b>Total</b>	<b>\$</b>	<b>1,013</b>	<b>\$</b>	<b>(1,013)</b>	<b>\$</b>	<b>-0-</b>

**10. CAPITAL LEASE**

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

		<u>Lease</u>		<u>Total</u>
Bonds & Notes Payable - Beginning	\$	13,170	\$	13,170
Additions		-0-		-0-
Principal Retirement		(5,422)		(5,422)
<b>Total</b>	<b>\$</b>	<b>7,748</b>	<b>\$</b>	<b>7,748</b>

The annual requirements to amortize all debt outstanding as of December 31, 2017, including interest payments, are as follows:

<u>Year Ending December 31,</u>		<u>Total</u>
2018	\$	6,059
2019-2023		2,020
<b>Total</b>	<b>\$</b>	<b>8,079</b>

**Required Supplementary Information**

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Governmental Funds  
Budgetary Comparison Schedule  
Year Ended December 31, 2017**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Commissions on Fines	\$ 51,000	\$ 51,000	\$ 54,952	\$ 3,952
Intergovernmental	103,000	103,000	139,083	36,083
Other Income	44,000	44,000	21,692	(22,308)
Worthless Check Collection	44,000	44,000	44,157	157
On Behalf Payments-Police Jury	327,000	327,000	310,369	(16,631)
On Behalf Payments-State	192,000	192,000	187,683	(4,317)
<b>TOTAL REVENUES</b>	<u>761,000</u>	<u>761,000</u>	<u>757,936</u>	<u>(3,064)</u>
<b>EXPENDITURES</b>				
LDAA Monthly Assessment	887	887	-0-	887
Worthless Checks	-0-	-0-	28,757	(28,757)
Auto Expenditures	9,750	9,750	4,017	5,733
Travel	670	670	6,262	(5,592)
Legal & Accounting	3,710	3,710	3,707	3
Insurance	200	200	200	-0-
Dues & Subscriptions	255	255	925	(670)
Contract Labor	-0-	-0-	11,073	(11,073)
Utilities	2,950	2,950	618	2,332
Office Expenditures	12,314	12,314	22,561	(10,247)
Family Services	-0-	-0-	-0-	-0-
Cost of Court & Restitution	37,000	37,000	5,110	31,890
Asset Forfeiture	-0-	-0-	11,088	(11,088)
Payroll Expenditures	152,030	152,030	148,714	3,316
Capital Expenses	10,000	10,000	-0-	10,000
Lease Expense	-0-	-0-	6,059	(6,059)
Other Expenditures	15,265	15,265	4,188	11,077
Revenue Sharing	-0-	-0-	4,096	(4,096)
On Behalf Payments-Police Jury	327,000	327,000	310,369	16,631
On Behalf Payments-State	192,000	192,000	187,683	4,317
<b>TOTAL EXPENDITURES</b>	<u>764,031</u>	<u>764,031</u>	<u>755,427</u>	<u>8,604</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (3,031)</u>	<u>\$ (3,031)</u>	2,509	<u>\$ 5,540</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>			<u>45,200</u>	
<b>FUND BALANCE – END OF YEAR</b>			<u>\$ 47,709</u>	

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Ten Year Schedule of the Employer's  
Proportionate Share of the Net Pension Liability  
Year Ended December 31, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's proportion of the NPL (percentage)	.132665%	.159205%	.158508
Employer's proportionate share of the NPL (amount)	\$7,146	\$30,473	\$42,753
Employer's covered-employee payroll	\$77,800	\$77,800	\$88,920
Employer's proportionate share of the NPL as a percentage of its covered-employee payroll	9.2%	39.17%	48.08%
Plan fiduciary net position as a percentage of the total pension liability	98.6%	95.1%	93.57%

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Ten Year Schedule of the Employer Contributions  
Year Ended December 31, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutorily required contributions	\$5,445	\$3,385	-0-
Contributions in relation to the statutorily required contributions	\$5,452	\$1,946	-0-
Contribution deficiency (excess)	(6)	(1,439)	-0-
Employer's covered-employee payroll	\$77,800	\$77,800	\$88,920
Contributions as a percentage of covered-employee payroll	7%	2.5%	-0-

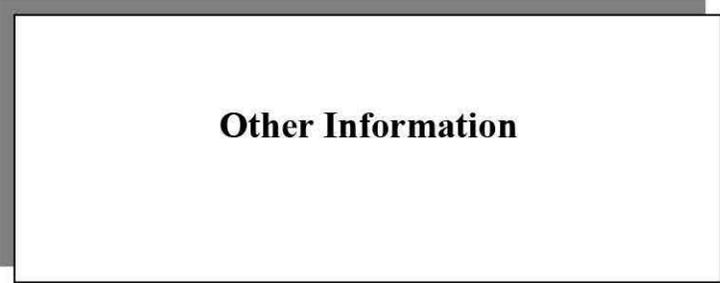
\*Note: covered payroll used is during the measurement period.

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Notes to Changes to Supplementary Information  
Year Ended December 31, 2017**

Changes in Valuation	
Methods and Assumptions	None

See independent auditor's report.



**Other Information**

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

**Schedule of Compensation Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2017**

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 135,900
Benefits-Insurance	12,656
Benefits-Retirement	6,760
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	670
Conference Travel	8,751
Professional Organization Dues	255
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditor's report.



**Other Reports**

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## **THE VERCHER GROUP**

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Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

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

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

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

#### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

*The Vercher Group*

Jena, Louisiana

May 29, 2018

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2017**

We were engaged to audit the financial statements of the District Attorney of the Twenty-Eighth Judicial District, Jena, Louisiana, as of and for the year ended December 31, 2017, and have issued our report thereon dated May 29, 2018. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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**Section I Summary of Auditor's Results**

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Our audit of the financial statements as of December 31, 2017, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses  Yes  No      Significant Deficiencies       Yes  No

Compliance

Compliance Material to Financial Statements       Yes  No

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses       Yes  No      Other Conditions      Yes  No

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

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

Yes  No

**c. Identification of Major Programs:**

---

**CFDA Number (s)**

**Name of Federal Program (or Cluster)**

---

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

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended December 31, 2017**

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**Section II Financial Statement Findings**

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No items to report.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable.

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

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

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

The management of the District Attorney of the Twenty-Eighth Judicial District, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial review for the year ended December 31, 2016.

**PRIOR YEAR FINDINGS**

No items to report.

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### **AGREED-UPON PROCEDURES REPORT**

**Office of the District Attorney of the 28<sup>th</sup> Judicial District, LaSalle Parish, La.**

**Independent Accountant's Report**

**On Applying Agreed-Upon Procedures**

**For the Period of January 1, 2017-December 31, 2017**

Office of the District Attorney of the 28<sup>th</sup> Judicial District

LaSalle Parish, Louisiana

To the District Attorney and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

## *Written Policies and Procedures*

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts**, including receiving, recording, and preparing deposits.
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
  - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
  - j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Observations: We obtained a copy of the written policies and procedures manual and read it for the above items. The document addressed all of the above items.**

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

---

2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Not applicable; the entity does not keep minutes.**

### ***Bank Reconciliations***

---

3. Obtain a 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;
  - 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
  - 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.

**Observations: We obtained a listing of bank accounts on bank confirmations and management's representation that the listings were complete.**

**A) Bank reconciliations are prepared for all bank accounts that have activity.**

**B) Bank reconciliations are prepared by an outside accounting firm and reviewed by management.**

**C) Inquiry found the entity reviews old outstanding checks on a regular basis.**

### ***Collections***

---

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

**Observations: We obtained the listing (District Attorney's Office) and management's representation that the listing is complete.**

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

**Observations:**

**A) The entity does not accept cash.**

**B) The entity does not accept cash.**

**C) We selected the December 2017 deposits and traced the amount from the general ledger to the bank statement.**

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.

**Observations: The Entity has a policy and procedure manual that addresses collection procedures. Inquiry found that the employee responsible for collections is not the same employee responsible for determining completeness.**

**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.

**Observations: We obtained a general ledger from the Entity and management's representation that the general ledger population 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.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - 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.

**Observations: We randomly selected 25 disbursements and obtained supporting documentation of the following:**

- A) Purchases were initiated using a requisition system.**
- B) Purchases are not approved by a person not initiating the purchase.**
- C) Purchases are not processed without an approved invoice.**

**Exception: Purchases are not approved by a person not initiating the purchase.**

**Management's Response: The Entity does not have the personnel to implement this procedure.**

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.

**Observations: Inquiry found that the person responsible for processing payments is not prohibited from adding vendors to the Entity's purchasing/disbursement system.**

**Exception: The person responsible for processing payments is not prohibited from adding vendors to the Entity's purchasing/disbursement system.**

**Management's Response: Management does not have the personnel to implement this procedure.**

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.

**Observations: The person with signatory authority or who makes the final authorization for disbursements also has responsibility for initiating or recording purchases.**

**Exception: The person with signatory authority or who makes the final authorization for disbursements also has responsibility for initiating or recording purchases.**

**Management's Response: Management does not have the personnel to implement this procedure.**

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.

**Observations: Inquiry and observation found that unused checks are locked in a cabinet.**

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.

**Not applicable.**

### ***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.

**Observations: Management provided a listing of all credit cards and management's representation that the list 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.

**Observations: The Entity has (3) cards, Visa, Fueltrac and Exxon fleet Fuel (not currently in use).**

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

**Observations: We obtained the monthly statement for Visa January 2017 and tested it for the following:**

**A) The statement was reviewed and approved by the authorized card holder.**

**Exception: The statement was reviewed and approved by the authorized card holder.**

**Management's Response: Management does not have the personnel to implement this procedure.**

**B) There were finance charges of \$61.27 on the statement.**

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)
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
  - 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.
  - 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.

**Observations: We tested the January 2017 statement for the following:**

- A) Itemized receipt, documentation of the business purpose; office supplies.**
- B) Compared each transaction with the Entity's purchasing/disbursement policies and the Louisiana Public Bid Law.**
- C) Documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.**

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

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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.

**Observations: Management provided a general ledger and management's representation that the general ledger is complete.**

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

**Observations: We obtained the Entity's written policies relating to travel and related expense reimbursements and compared it to the per diem and mileage rates established by the U.S. General Services Administration.**

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.

**Observations: We selected the largest travel expenditure for the fiscal period and found the expenditure was for conference lodging and was in accordance with written policy.**

- 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.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**Observations: The expenditure was for conference lodging.**

- 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.

**Observations: We compared 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 found no exceptions.**

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

**Observations: The expense was reviewed and approved, in writing, by the DA but not by someone other than the person receiving the benefit.**

**Exception: The expense was reviewed and approved, in writing, by the DA but not by someone other than the person receiving the benefit.**

**Management's Response: Management does not have the personnel to implement this procedure.**

## *Contracts*

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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.

**Observations: We obtained a general ledger from management and management's representation that the general ledger 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.
- 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)
  - If no, obtain supporting contract documentation and report whether the entity solicited 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.
- 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.
- 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).

**Observations: We found that the Entity had (1) contract (an operating lease for a vehicle) and tested it for the following:**

- A) There is a formal /written contract that supports the services arrangement and the amount paid.**
- B) The contract was not subject to the Louisiana Public Bid Law.**
- C) The contract had not been amended.**
- D) We selected the largest payment from the contract. We obtained the payment made in the general ledger and compared it to the contract terms.**
- E) Not applicable.**

## *Payroll and Personnel*

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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:

- 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.
- 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.

**Observations: We selected all 5 employees and tested as follows:**

- A) There was no employment contract and payments were made in accordance with the documented pay rate structure.**
- B) None of the employees received a pay rate change during the fiscal year.**

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

**Observations: We tested 5 employees for the following:**

- A) No employees were paid leave. All employees were salaried.**
- B) All employees are salaried.**
- C) There was no leave earned.**

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.

**Observations: The Entity had no terminations in the fiscal year.**

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.

**Observations: We reviewed forms 941 and the general ledger accrual accounts and found no delinquent payments.**

*Ethics (excluding nonprofits)*

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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.

**Observations: The entity maintained documentation of ethics compliance.**

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.

**Observations: Inquiry found no alleged ethics violations reported to the entity during the fiscal year.**

*Debt Service (excluding nonprofits)*

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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; no debt**

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; no debt**

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

**Not applicable.**

*Other*

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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.

**Observations: Inquiry found no reported misappropriations of public funds.**

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.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Observations: The entity has the notice posted on its premises.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*The Vercher Group*

Jena, Louisiana

May 29, 2018