

**District Attorney
of the Fortieth Judicial District
LaPlace, Louisiana**

FINANCIAL REPORT

December 31, 2017



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
TABLE OF CONTENTS**

REPORT

| | |
|------------------------------|---|
| Independent Auditors' Report | 1 |
|------------------------------|---|

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

| | |
|--------------------------------------|---|
| Management's Discussion and Analysis | 4 |
|--------------------------------------|---|

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

| | |
|---------------------------|---|
| Statement of Net Position | 9 |
|---------------------------|---|

| | |
|-------------------------|----|
| Statement of Activities | 10 |
|-------------------------|----|

Fund Financial Statements:

| | |
|---------------|----|
| Balance Sheet | 11 |
|---------------|----|

| | |
|--|----|
| Reconciliation of the Balance Sheet to the Statement of Net Position | 12 |
|--|----|

| | |
|---|----|
| Statement of Revenues, Expenditures and Changes in Fund Balance | 13 |
|---|----|

| | |
|---|----|
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities | 14 |
|---|----|

Agency Funds:

| | |
|--|----|
| Statement of Fiduciary Assets and Liabilities – Agency Funds | 15 |
|--|----|

| | |
|---|----|
| Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds | 16 |
|---|----|

| | |
|-------------------------------|----|
| Notes to Financial Statements | 17 |
|-------------------------------|----|

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

| | |
|--|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Fund | 41 |
|--|----|

| | |
|---|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Pre-trial Intervention/Diversion Program Fund | 42 |
|---|----|

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
TABLE OF CONTENTS**

| | |
|--|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Title IV Fund | 43 |
| Schedule of Proportionate Share of Net Pension Liability for Retirement Systems | 44 |
| Schedule of Employer Contributions to Retirement Systems | 45 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Schedule of Compensation, Benefits, and Other Payments to Agency Head | 46 |
| REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> | |
| Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 47 |
| Schedule of Current Year Findings and Responses | 49 |
| Summary Schedule of Prior Audit Findings | 50 |



Report



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 833-2436
(504) 484-0807 (fax)
www.CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the District Attorney of the Fortieth Judicial District
LaPlace, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District Attorney'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 District Attorney's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-8, Budgetary Comparison Information on pages 41-43, Schedule of Proportionate Share of Net Pension Liability for Retirement Systems on page 44, and Schedule of Employer Contributions to Retirement Systems on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018 on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

June 28, 2018



**Required Supplementary
Information (Part I)**

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis ("MD&A") is a required element of the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in its codification. Its purpose is to provide an overview of the financial activities of the District Attorney of the Fortieth Judicial District (the "District Attorney") based on currently known facts and decisions of conditions. Please read it in conjunction with the District Attorney's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The District Attorney's assets and deferred outflows exceeded its liabilities and deferred inflows at December 31, 2017 by approximately \$3 million, which represents a 7.93% increase from last year.

The District Attorney's revenues increased by approximately \$265 thousand (or 7.16%) principally due to an increase in activity in the Pre-trial diversion program.

The District Attorney's expenses increased by approximately \$343 thousand, which represents a 10.18% increase from last year. This increase was due primarily to an increase in the Pre-trial diversion program and the LACE program.

The District Attorney did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District Attorney's basic financial statements. The District Attorney's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different view of the District Attorney:

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District Attorney's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District Attorney's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney is improving or deteriorating. The Statement of Activities presents information showing how the District Attorney's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District Attorney is the prosecution of criminal statutes in the Fortieth Judicial District.

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 Attorney has both Governmental and Fiduciary Funds.

Fund Financial Statements provide more in-depth data on the District Attorney's most significant funds, such as its General Fund. This fund is considered a "major fund" under criteria established by GASB Codification Section 2100 *Defining the Financial Reporting Entity*. The Pre-trial Diversion Fund and Title IV-D are also major funds, because of the District Attorney's focus on their operations.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the calendar year.

Due to the narrower focus of the governmental funds than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statements of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on the agency fund assets and liabilities. The fund accounted for in this category by the District Attorney is the Custodial Fund.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District Attorney's financial position. As of December 31, 2017, assets and deferred outflows exceed liabilities and deferred inflows by \$3,606,366.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CONDENSED STATEMENTS OF NET POSITION

| | December 31, | |
|--|---------------------|--------------|
| | 2017 | 2016 |
| Current assets | \$ 3,700,928 | \$ 3,387,349 |
| Capital assets | 39,251 | 45,552 |
| Total assets | 3,740,179 | 3,432,901 |
| Deferred outflows of resources | 703,531 | 749,679 |
| Total assets and deferred outflows | 4,443,710 | 4,182,580 |
| Current liabilities | 98,866 | 124,184 |
| Non-current liabilities | 529,590 | 486,883 |
| Total liabilities | 628,456 | 611,067 |
| Deferred inflows of resources | 208,888 | 230,041 |
| Total liabilities and deferred inflows | 837,344 | 841,108 |
| Net position: | | |
| Net investment in capital assets | 39,251 | 45,552 |
| Restricted | 108,407 | 102,055 |
| Unrestricted | 3,458,708 | 3,193,865 |
| Total Net Position | \$ 3,606,366 | \$ 3,341,472 |

Governmental activities increased the District Attorney's net position by \$264,894. Key elements of this increase are as follows:

CONDENSED STATEMENTS OF ACTIVITIES

| | For the years ended December 31, | |
|--------------------------------|----------------------------------|--------------|
| | 2017 | 2016 |
| Revenues: | | |
| Charges for services | \$ 1,439,754 | \$ 3,338,318 |
| Operating grants | 276,943 | 276,810 |
| General revenues | 2,253,937 | 90,921 |
| Total revenues | 3,970,634 | 3,706,049 |
| Expenses: | | |
| Judicial activities | 3,705,740 | 3,363,925 |
| Increase in net position | 264,894 | 342,124 |
| Net position beginning of year | 3,341,472 | 2,999,348 |
| Net position end of year | \$ 3,606,366 | \$ 3,341,472 |

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT'S FUNDS

As noted earlier, the District Attorney uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the District Attorney's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District Attorney's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of December 31, 2017, the District Attorney's governmental funds reported a combined ending fund balance of \$3,557,066, an increase of \$296,401 in comparison with the prior year, that is available for spending at the District Attorney's discretion.

The General Fund is the primary operating fund of the District Attorney. At December 31, 2017, unassigned fund balance of the General Fund was \$2,864,773. The District Attorney's General Fund balance increased by \$202,434 during 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District Attorney adopted a budget during 2017 and amended the budget to take into consideration significant changes in revenues or expenditures. A comparison of the original and amended budget to actual totals of revenues and expenditures is included on pages 41 of the financial statements.

During the year, revenues were higher than original budgetary estimates by \$602,394 and expenditures were higher than original budgetary estimates by \$399,960.

CAPITAL ASSETS

The District Attorney's net investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$39,251 (net of accumulated depreciation). This investment in capital assets includes office furniture and equipment.

| | <u>2017</u> | <u>2016</u> |
|------------------------------|------------------|------------------|
| Office furniture & equipment | <u>\$ 39,251</u> | <u>\$ 45,552</u> |

ECONOMIC FACTORS AND 2018 BUDGET

When preparing the District Attorney's budget for 2018, the LACE and Pre-trial Diversion program revenues and expected increase of payroll and LACE related expenditures in the Pre-trial Diversion Fund were considered to be the most significant factors.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District Attorney's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bridget A. Dinvaut, District Attorney, District Attorney of the Fortieth Judicial District, Parish of St. John the Baptist, Post Office Box 399, LaPlace, LA 70068.



Financial Statements

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2017

Assets

| | | |
|---------------------------------------|----|-----------|
| Cash and cash equivalents | \$ | 3,238,571 |
| Intergovernmental receivables | | 437,463 |
| Prepaid expenses | | 13,073 |
| Other current assets | | 11,821 |
| Capital assets being depreciated, net | | 39,251 |
| <hr/> | | |
| Total Assets | | 3,740,179 |

Deferred Outflows of Resources

| | | |
|---|--|---------|
| Deferred amounts related to pension liability | | 703,531 |
| <hr/> | | |
| Total Deferred Outflows of Resources | | 703,531 |

Liabilities

| | | |
|--------------------------|--|---------|
| Accounts payable | | 42,833 |
| Payroll liabilities | | 56,033 |
| Non-current liabilities: | | |
| Net pension liability | | 529,590 |
| <hr/> | | |
| Total Liabilities | | 628,456 |

Deferred Inflows of Resources

| | | |
|---|--|---------|
| Deferred amounts related to pension liability | | 208,888 |
| <hr/> | | |
| Total Deferred Inflows of Resources | | 208,888 |

Net Position

| | | |
|----------------------------------|----|-----------|
| Net investment in capital assets | | 39,251 |
| Restricted for Title IV-D | | 108,407 |
| Unrestricted | | 3,458,708 |
| <hr/> | | |
| Total Net Position | \$ | 3,606,366 |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| Function/Programs | Expenses | Program Revenues | | Charges for Services | Net (Expense) Revenue and Change in Net Position |
|--------------------------------|--------------|------------------|-------------------------|----------------------|--|
| | | Operating Grants | Governmental Activities | | |
| Governmental Activities | | | | | |
| Judicial activities | \$ 3,705,740 | \$ 276,943 | \$ 1,439,754 | \$ | (1,989,043) |

General revenues:

| | |
|---|---------------------|
| Intergovernmental revenues | 2,163,333 |
| Non-employer pension contributions | 89,872 |
| Miscellaneous income | 732 |
| <u>Total General Revenues</u> | <u>2,253,937</u> |
| Change in net position | 264,894 |
| <u>Net position - beginning of year</u> | <u>3,341,472</u> |
| <u>Net position - end of year</u> | <u>\$ 3,606,366</u> |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
BALANCE SHEET
DECEMBER 31, 2017**

| | General Fund | Pre-Trial Intervention/ Diversion Programs | Title IV-D | Total Governmental Funds |
|--|---------------------|---|-------------------|--------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 2,556,539 | \$ 617,290 | \$ 64,742 | \$ 3,238,571 |
| Intergovernmental receivables | 393,100 | - | 44,363 | 437,463 |
| Other current assets | 11,821 | - | - | 11,821 |
| Prepays | 13,073 | - | - | 13,073 |
| Total Assets | \$ 2,974,533 | \$ 617,290 | \$ 109,105 | \$ 3,700,928 |
| Liabilities, Deferred Inflows of Resources, and Fund Balance | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 8,731 | \$ 33,404 | \$ 698 | \$ 42,833 |
| Payroll liabilities | 56,033 | - | - | 56,033 |
| Total Liabilities | 64,764 | 33,404 | 698 | 98,866 |
| Deferred inflows: | | | | |
| Unavailable revenue | 44,996 | - | - | 44,996 |
| Total Deferred Inflows of Resources | 44,996 | - | - | 44,996 |
| Fund balances: | | | | |
| Restricted for Title IV-D | - | - | 108,407 | 108,407 |
| Assigned | - | 583,886 | - | 583,886 |
| Unassigned | 2,864,773 | - | - | 2,864,773 |
| Total Fund Balance | 2,864,773 | 583,886 | 108,407 | 3,557,066 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,974,533 | \$ 617,290 | \$ 109,105 | \$ 3,700,928 |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

| | | |
|---|-----------|---------------------|
| Fund balances, total governmental funds | | \$ 3,557,066 |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p> | | |
| Governmental capital assets | 296,413 | |
| Less accumulated depreciation | (257,162) | 39,251 |
| <hr/> | | |
| Unavailable revenues are deferred in governmental funds but not in governmental activities | | 44,996 |
| Contributions to the pension plan in the current year and other pension related deferrals are deferred outflows of resources on the Statement of Net Position | | 703,531 |
| Long-term liabilities at December 31, 2017: | | |
| Net pension liability | | (529,590) |
| Pension related deferrals are deferred inflows of resources on the Statement of Net Position | | (208,888) |
| <hr/> | | |
| Net position of governmental activities | | \$ 3,606,366 |
| <hr/> | | |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | General Fund | Pre-Trial Intervention/ Diversion Programs | Title IV-D | Total |
|---|---------------------|---|-------------------|---------------------|
| Revenues | | | | |
| Court costs, fines and fees | \$ 448,852 | \$ - | \$ - | \$ 448,852 |
| Collection fees on worthless checks | 4,789 | - | - | 4,789 |
| Collection of forfeitures | 65,234 | - | - | 65,234 |
| Intergovernmental revenues: | | | | |
| Grant- Louisiana Department of Social Services | - | - | 272,943 | 272,943 |
| Victim's Assistance Coordinator Fund | 30,250 | - | - | 30,250 |
| Pre-Trial Diversion Program | - | 893,129 | - | 893,129 |
| Reimbursements | 2,118,337 | - | - | 2,118,337 |
| Other | 4,732 | - | - | 4,732 |
| Total Revenues | 2,672,194 | 893,129 | 272,943 | 3,838,266 |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| Salaries, related taxes, and benefits | 2,089,140 | 285,520 | 238,159 | 2,612,819 |
| Local Area Compensated Enforcement Program (LACE) | - | 438,146 | - | 438,146 |
| Rent, utilities, and telephone | 117,706 | 47,494 | 21,455 | 186,655 |
| Continuing education, auto, and travel | 42,531 | 12,311 | 1,322 | 56,164 |
| Office supplies and maintenance | 31,851 | 10,276 | 4,970 | 47,097 |
| Insurance | 33,032 | - | 660 | 33,692 |
| Professional services | 143,930 | 1,450 | - | 145,380 |
| Other | 5,164 | 10,317 | 25 | 15,506 |
| Capital outlay | 6,406 | - | - | 6,406 |
| Total Expenditures | 2,469,760 | 805,514 | 266,591 | 3,541,865 |
| Net change in fund balance | 202,434 | 87,615 | 6,352 | 296,401 |
| Fund balance - beginning of year | 2,662,339 | 496,271 | 102,055 | 3,260,665 |
| Fund balance - end of year | \$ 2,864,773 | \$ 583,886 | \$ 108,407 | \$ 3,557,066 |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | |
|--|-------------------|
| Net change in fund balance, total governmental fund | \$ 296,401 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Capital outlay | 6,406 |
| Depreciation expense | (12,707) |
| Contributions to the pension plans after the measurement date are not included on the Statement of Activities | |
| | 18,452 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| Pension expense | (86,154) |
| Difference in revenue recognition on the modified accrual basis as reported in the fund statements versus revenue recognition on the full accrual basis | |
| | 42,496 |
| Change in net position of governmental activities | \$ 264,894 |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
DECEMBER 31, 2017**

| | <u>Custodial Fund</u> | <u>Total Agency Funds</u> |
|---------------------------|-----------------------|---------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 475,217 | \$ 475,217 |
| TOTAL ASSETS | 475,217 | 475,217 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Due to other governments | 475,217 | 475,217 |
| TOTAL LIABILITIES | \$ 475,217 | \$ 475,217 |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>January 1, 2017</u> | <u>Additions</u> | <u>Deductions</u> | <u>December 31, 2017</u> |
|------------------------------|------------------------|------------------|-------------------|--------------------------|
| CUSTODIAL FUND: | | | | |
| Cash and cash equivalents | \$ 435,459 | 186,088 | (146,330) | \$ 475,217 |
| Bond forfeitures assets | 435,459 | 186,088 | (146,330) | 475,217 |
| Due to others | 435,459 | 186,088 | (146,330) | 475,217 |
| Bond forfeitures liabilities | \$ 435,459 | 186,088 | (146,330) | \$ 475,217 |

The accompanying notes are an integral part of this financial statement.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

The financial statements of the District Attorney of the Fortieth Judicial District (the “District Attorney”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District Attorney’s accounting policies are described below.

Reporting Entity - As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution in their District, is the representative of the State of Louisiana before the grand jury in their District, and is the legal advisor to the grand jury. The District Attorney performs other duties as provided by law and is elected by the qualified electors of the Judicial District for a term of six years. The Judicial District encompasses the Parish of St. John the Baptist, Louisiana (“the Parish”).

The District Attorney is an independently elected official and is not considered fiscally dependent of the St. John the Baptist Parish Council (“the Council”). As the governing authority of the Parish, for reporting purposes, the Council is the financial reporting entity for the Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

GASB Codification 2600 *Reporting Entity and Component Unit Presentation and Disclosure* established criteria for determining which component units should be considered part of the Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization’s governing body, and
 - a. The ability of the Council to impose its will on that organization and/or,
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

As the Council does not appoint the District Attorney, does not provide funding (other than the use of facilities), or have any control over the District Attorney, the District Attorney has determined that the District Attorney is not a component unit of the Council. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of the Parish.

Government-wide and Fund Financial Statements - The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the District Attorney. The government-wide presentation focuses primarily on the sustainability of the District Attorney as an entity and the change in aggregate financial position resulting from the activities for the calendar period. Governmental activities generally are financed through fines and fees, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Codification 1300 *Fund Accounting*. Emphasis is now on major funds in governmental categories. The daily accounts and operations of the District Attorney continue to be organized on the basis of a fund and the accounts group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District Attorney considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District Attorney reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District Attorney. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund. The General Fund was established in compliance with Louisiana Revised Statute (LA RS) 15:571.11, which provides that a percentage of the fines collected and bonds forfeited within the Judicial District be transmitted to the District Attorney to defray the necessary expenses of the District Attorney.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for a specific purpose. The Special Revenue Funds reported as major funds in the fund financial statements are as follows:

Pre-Trial Diversion Fund - The Pre-Trial Diversion Fund accounts for the collection of a fee paid by first-time offenders to the District Attorney, and expenditures made for the administration of this program.

Title IV-D Incentives Special Revenue Fund – The Title IV-D Incentives Special Revenue Fund consists of incentive payments from the Louisiana Department of Social Services, as authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the program is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Fiduciary Fund – The fiduciary fund reporting focuses on net assets and changes in net assets. The only fund accounted for in this category is the agency fund. The agency fund accounts for assets held by the District Attorney as an agent for other governments. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but uses the modified accrual basis of accounting. The District Attorney maintains one agency fund: Custodial Agency Fund. This fund holds bond forfeiture proceeds that are collected as a result of individuals failing to show up to court after a bond has been posted on their behalf. If the individuals do not follow the required legal proceedings after the bonds have been issued, the District Attorney can then demand the Bail

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

Bondsman to pay the proceeds of the bond. Once the District Attorney receives the funds, they are required to hold the money for a period of at least six months.

Budgetary Accounting - As required by the LA RS 39:1303, the District Attorney adopted a budget for the General Fund and all special revenue funds. The budgetary practices include public notice of the proposed budget, public inspection, and a public hearing on the budget prior to adoption.

Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District Attorney.

The District Attorney's budget was amended one time during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

All budgets were prepared on the accrual basis of accounting. All appropriations contained in the budgets lapse at year end.

Cash and Cash Equivalents - Cash includes cash on hand, demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Cash and cash equivalents are stated at cost, which approximates market. LA RS 39:1225 provides that the amount of the pledged securities shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

Capital Assets - Capital assets purchased or acquired with an original cost of \$1,000 or more are recorded at either historical cost or estimated historical cost and are depreciated over their useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight-line depreciation is used based on the following estimated useful lives:

Office furniture and equipment – 5 years

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

Compensated Absences - The District Attorney has the following vacation and sick leave policies:

Vacation Leave – Annual leave shall be earned in accordance with the following criteria: Employees with less than five (5) years of service shall earn a total of eighty-four (84) hours per calendar year. Employees with at least five (5) years of services shall earn a total of 120 hours per calendar year. Employees with at least fifteen (15) years of service shall earn a total of 168 hours per calendar year. Employees with at least twenty (20) years of service shall earn a total of 204 hours per calendar year. Employees with at least thirty (30) years of service shall earn a total of 240 hours per calendar year.

Sick Leave – Full-time employees earn eighty-four (84) hours of sick leave per year.

Employees shall be permitted to carry over up to forty (40) hours, and no more, of earned annual and sick leave to the following calendar year. Upon retirement, resignation, or termination, an employee compensated for accumulated and unused annual leave but not compensated for accumulated sick leave, which was earned during the year.

There were no accumulated leave benefits required to be reported at year end.

Net Position - In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance - In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District Attorney is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

1. Nonspendable - This component includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

2. Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.
3. Committed - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Attorney. Those committed amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use.
4. Assigned - This component consists of amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the District Attorney’s adopted policy, only the District Attorney may assign amounts for specific purpose.
5. Unassigned – This classification represents amounts that have not been restricted, committed, or assigned to specific purposes.

When both restricted and unrestricted resources are available for use, it is the District Attorney’s intention to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the District Attorney’s intention to use committed resources first, then assigned, and then unassigned as they are needed.

Encumbrances - Encumbrance accounting is not utilized by the District Attorney due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

Deferred Outflows and Inflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for Deferred Outflows of Resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District Attorney has one item that meets this criterion related to deferrals of pension expense. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District Attorney has one item that meets the criterion for this category, deferrals of pension expense.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

Pensions - The District Attorney is a participating employer in two defined benefit pension plans as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Adoption of New Financial Accounting Standards - The following Accounting Standards Update ("ASU") recently issued and adopted by the GASB impacted the District Attorney's financial statements:

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

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

In March 2017, the GASB issued Statement No. 85 – Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits ["OPEB"]). The District Attorney is currently assessing the impact of GASB 85 on the financial statements for the year ending December 31, 2018.

In June 2017, GASB issued Statement No. 87 - Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(CONTINUED)**

governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District Attorney is currently assessing the impact of GASB 87 on the financial statements for the year ending December 31, 2020.

NOTE 2 - CASH AND CASH EQUIVALENTS

Under state law, the District Attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District Attorney may invest in certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At December 31, 2017, the District Attorney has cash (book balances) totaling \$3,238,571.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Attorneys deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party.

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 bank. 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.

Deposit balances (bank balances) at December 31, 2017, are secured as follows:

| | |
|---|--------------|
| Bank Balance | \$ 3,774,756 |
| Insured | \$ 250,000 |
| Collateralized by pledging bank in District Attorney's name | 3,524,756 |
| Total | \$ 3,774,756 |

As of December 31, 2017, the District Attorney's total bank balances were not exposed to custodial risk. \$250,000 of the District Attorney's bank balance was secured by federal deposit insurance, while the remaining \$3,524,756 was secured by pledged securities owned by the fiscal agent bank.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets and accumulate depreciation during the year is listed as follows:

| | Balance January 1, 2017 | Additions | Deletions | Balance December 31, 2017 |
|------------------------------------|-------------------------------|-------------------|-------------|---------------------------------|
| Capital assets being depreciated: | | | | |
| Office furniture & equipment | \$ 290,007 | \$ 6,406 | \$ - | \$ 296,413 |
| Less accumulated depreciation for: | | | | |
| Office furniture & equipment | (244,455) | (12,707) | - | (257,162) |
| Total capital assets, net | \$ 45,552 | \$ (6,301) | \$ - | \$ 39,251 |

NOTE 4 – LEASES

The District Attorney entered into operating leases for buildings, postage machines, and copier machines. The total minimum annual commitments under all operating leases are as follows:

| Year Ending | Amount |
|--------------|-------------------|
| 2018 | \$ 74,864 |
| 2019 | 62,055 |
| 2020 | 60,754 |
| 2021 | 80,965 |
| 2022 | 80,400 |
| Thereafter | 80,400 |
| Total | \$ 439,438 |

NOTE 5 – TITLE IV-D PROGRAM

During the year, the District Attorney participated in the Title IV-D program administered by the State of Louisiana Department of Social Services, Office of Family Support. This program is funded by indirect assistance payments in the form of reimbursements of certain approved expenditures. The funds are received from the Louisiana Department of Social Services. For the year ended December 31, 2017, the District Attorney received reimbursements on expenditures totaling \$272,943.

The reimbursement payments are calculated and made by a formal agreement between the District Attorney and the Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis. These reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of a review or audit by the federal grantor agency.

NOTE 6 – PENSION PLANS

Substantially all employees of the District Attorney are members of the Parochial Employees' Retirement System of Louisiana ("PERS") or the District Attorneys' Retirement System ("DARS"). These systems are cost-sharing multiple-employer, defined benefit pension plans administered by separate boards of trustees.

General Information about the Pension Plans

Plan Descriptions

PERS

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

Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The District Attorney participates in Plan A.

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

NOTE 6 – PENSION PLANS (CONTINUED)

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

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

DARS

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 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 board for assistant district attorneys.

The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

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

PERS

Any member of Plan A can retire providing they meet one of the following criteria:

For employees hired prior to January 1, 2007:

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

NOTE 6 – PENSION PLANS (CONTINUED)

For employees hired after January 1, 2007:

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

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

DARS

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

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

Disability Benefits

PERS

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

NOTE 6 – PENSION PLANS (CONTINUED)

service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

DARS

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

Survivor Benefits

PERS

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

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

DARS

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 DARS.

NOTE 6 – PENSION PLANS (CONTINUED)

Deferred Retirement Option Plan benefits (DROP)

PERS

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

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease.

The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

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

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual’s subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

DARS

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

NOTE 6 – PENSION PLANS (CONTINUED)

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving die 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 DROP for up to three years in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to 'A of one percent. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Cost of Living Adjustments

PERS

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

NOTE 6 – PENSION PLANS (CONTINUED)

DARS

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

Contributions

PERS

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan. However, the actual rate for the fiscal year ended December 31, 2017 was 12.50% for Plan A.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Contributions to the pension plan from the District Attorney were \$118,021 for the year ended December 31, 2017.

DARS

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018 and for the year ended June 30, 2017, the actual employer contribution rate was 0.0%. For the year ending June 30, 2018 and for the year ended June 30, 2017, the actuarially determined employer contribution rate was 1.20% and 0.00%, respectively. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. There were no required contributions to the pension plan from the District Attorney for the year ended December 31, 2017.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – PENSION PLANS (CONTINUED)

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

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

At December 31, 2017, the District Attorney reported a combined liability of \$529,590 for its proportionate share of the Net Pension Liabilities (NPL) of PERS and DARS. The amount for each plan was \$265,980 and \$263,610, respectively. The NPL for each system was measured as of December 31, 2016 and June 30, 2017, respectively, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date. The District Attorney's proportion of the NPL was based on a projection of the District Attorney's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined.

As of the most recent measurement date, the District Attorney's proportionate share for each system was:

| | PERS | DARS |
|-------------------------------------|-------------|-------------|
| DA's Proportionate Share | 0.129147% | 0.977342% |
| Increase (Decrease) from prior year | 0.008341% | 0.094998% |

For the year ended December 31, 2017, the District Attorney recognized a total pension expense of \$179,153, with \$56,675 related to PERS and \$122,478 related to DARS. These amounts are made up of the following:

| Components of Pension Expense (Benefit) | PERS | DARS |
|---|------------------|-------------------|
| DA's pension expenses per the pension plan | \$ 158,285 | \$ 122,489 |
| DA's amortization of its change in proportionate share | (108) | - |
| DA's amortization of actual contributions over its proportionate share of contributions | (101,502) | (11) |
| Total Pension Expense (Benefit) Recognized by DA | \$ 56,675 | \$ 122,478 |

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – PENSION PLANS (CONTINUED)

At year end, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| <u>PERS</u> | | |
| Differences between expected and actual experience. | \$ - | \$ 46,544 |
| Net difference between projected and actual earnings on pension plan investments. | 206,410 | - |
| Changes in assumptions. | 50,498 | - |
| Changes in proportion to NPL. | 3,127 | - |
| Differences between the District Attorney's contributions and its proportionate share of contributions. | - | 6,121 |
| The DA's contributions subsequent to the measurement date. | 118,021 | - |
| Total PERS | \$ 378,056 | \$ 52,665 |
| <u>DARS</u> | | |
| Differences between expected and actual experience. | \$ - | \$ 69,303 |
| Net difference between projected and actual earnings on pension plan investments. | 118,187 | - |
| Changes in assumptions. | 105,792 | 31,110 |
| Changes in proportion to NPL. | 101,496 | - |
| Differences between the District Attorney's contributions and its proportionate share of contributions. | - | 55,810 |
| The DA's contributions subsequent to the measurement date. | - | - |
| Total DARS | \$ 325,475 | \$ 156,223 |
| Total Retirement Systems | \$ 703,531 | \$ 208,888 |

Deferred outflows of resources related to pensions resulting from the District Attorney's contributions subsequent to the measurement date totaled \$118,021 (\$118,021 for PERS and \$0 for DARS). These amounts will be recognized as a reduction of the NPL in the year ending December 31, 2018.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – PENSION PLANS (CONTINUED)

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

| Year Ending December 31, | Amount of Amortization | |
|--------------------------|------------------------|-----------|
| | PERS | DARS |
| 2018 | \$ 78,955 | \$ 30,966 |
| 2019 | 81,564 | 83,038 |
| 2020 | 52,429 | 39,221 |
| 2021 | (5,578) | (1,931) |
| 2022 | - | 2,948 |
| 2023 (Thereafter) | - | 15,010 |

Actuarial Assumptions

PERS

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

| | |
|----------------------------------|--|
| Valuation Date | December 31, 2016 |
| Actuarial Cost Method | Entry age normal cost |
| Investment rate of return | 7.00% (net of investment expense) |
| Expected remaining service lives | 4 years |
| Projected salary increases | 5.25% (2.75% Merit/2.50% Inflation) |
| Cost of Living adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |
| Mortality rates | RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuity Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. |

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – PENSION PLANS (CONTINUED)

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back 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 triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

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

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

NOTE 6 – PENSION PLANS (CONTINUED)

DARS

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 |
| Investment rate of return | 6.75% net of investment expense |
| Inflation rate | 2.5% per annum |
| Salary increases | 5.50% (2.50% Inflation, 3.00% Merit) |
| Mortality rates | The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) for employees, annuitants, and beneficiaries. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement. |
| Expected remaining service lives | 7 years |
| Cost of Living adjustments | Only those previously granted |

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. 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 DARS's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – PENSION PLANS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are 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 long term expected nominal rate of return was 9.06% as of June 30, 2017.

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

| Asset Class | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------|------------------------------------|---|
| Equities | 61.72% | 11.31% |
| Fixed income | 28.95% | 6.84% |
| Alternatives | 8.85% | 10.50% |
| Cash | 0.48% | 0.50% |
| Totals | <u>100.00%</u> | <u>6.56%</u> |
| Inflation | | <u>2.50%</u> |
| Expected Real Rate of Return | | <u>9.06%</u> |

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% and for DARS 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 each of the system's actuary. Based on those assumptions, each of 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.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6 – PENSION PLANS (CONTINUED)

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate.

The following presents the District Attorney’s proportionate share of the Net Pension Liability using the discount rate, as well as what the District Attorney’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|---|----------------------|----------------------------------|----------------------|
| PERS - DA’s proportionate share of the net pension liability | \$ 795,653 | \$ 265,980 | \$ (181,875) |
| DARS - DA’s proportionate share of the net pension liability | \$ 753,300 | \$ 263,610 | \$ (152,508) |

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The District Attorney recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the District Attorney recognized revenue as a result of support received from non-employer contributing entities of \$89,872. PERS and DARS received \$9,540 and \$80,332, respectively, for their participation in the District Attorney’s retirement plans.

Pension Plan Fiduciary Net Position

PERS and DARS issue publicly available financial reports that include financial statements and required supplementary information for the systems. Detailed information about each system’s fiduciary net position is available in these separately issued financial reports. These reports may be obtained by visiting the Louisiana Legislative Auditor’s website at www.lla.la.gov and searching under the Reports section.

Payables to the Pension Plan

At December 31, 2017, the District Attorney had payables to the pension plans totaling \$55,901 (\$51,871 to PERS and \$4,030 to DARS) for the December 2017 employee and employer legally required contributions. These amounts are included in salaries and benefits payable.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – RISK MANAGEMENT

The District Attorney is not involved in any litigation at December 31, 2017 which could have a material effect on its financial statements.

NOTE 8 – ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

The State of Louisiana and the Council pay a portion of the salaries and benefits of the District Attorney. The District Attorney is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and Parish Council. For the year ended December 31, 2017, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Codification Section N50 *Nonexchange Transactions*, as intergovernmental revenues and expenditures as follows:

General Fund:

| | |
|-------------------------------------|------------|
| State of Louisiana | \$ 570,271 |
| St. John the Baptist Parish Council | 36,587 |
| Total on-behalf payments | \$ 606,858 |

NOTE 9 – SUBSEQUENT EVENTS

The District Attorney evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 28, 2018, which is the date the financial statements were available to be issued and no material events were noted for disclosure.



**Required Supplementary
Information (Part II)**

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>Budgetary Amounts</u> | | | Variance with Final Budget |
|--|--------------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | Actual | |
| Revenues | | | | |
| Court costs, fines and fees | \$ 514,050 | \$ 449,000 | \$ 448,852 | \$ (148) |
| Collection fees on worthless checks | 6,000 | 5,000 | 4,789 | (211) |
| Collection of forfeitures | 45,000 | 65,000 | 65,234 | 234 |
| Intergovernmental revenues: | | | | |
| Victim's Assistance Coordinator Fund | 30,000 | 30,000 | 30,250 | 250 |
| Other | - | - | - | - |
| Reimbursements | 1,467,250 | 2,118,000 | 2,118,337 | 337 |
| Other | 7,500 | 5,000 | 4,732 | (268) |
| Total Revenues | 2,069,800 | 2,672,000 | 2,672,194 | 194 |
| Expenditures | | | | |
| General government: | | | | |
| Salaries, related taxes, and benefits | 1,597,200 | 2,089,000 | 2,089,140 | (140) |
| Rent, utilities, and telephone | 218,000 | 118,000 | 117,706 | 294 |
| Continuing education, auto, and travel | 47,100 | 43,000 | 42,531 | 469 |
| Office supplies and maintenance | 25,000 | 32,000 | 31,851 | 149 |
| Insurance | 36,000 | 33,000 | 33,032 | (32) |
| Professional services | 75,000 | 144,000 | 143,930 | 70 |
| Other | 56,500 | 5,000 | 5,164 | (164) |
| Capital outlay | 15,000 | 6,000 | 6,406 | 406 |
| Total Expenditures | 2,069,800 | 2,470,000 | 2,469,760 | 240 |
| Net Change in Fund Balance | - | 202,000 | 202,434 | 434 |
| Fund Balance, Beginning or Year | 2,662,339 | 2,662,339 | 2,662,339 | - |
| Fund Balance, End of Year | \$ 2,662,339 | \$ 2,864,339 | \$ 2,864,773 | \$ 434 |

See independent auditors' report.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL
PRE-TRIAL INTERVENTION/DIVERSION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>Budgetary Amounts</u> | | Actual | Variance with Final Budget |
|--|--------------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues: | | | | |
| Pre-Trial Diversion Program | \$ 763,900 | \$ 893,000 | \$ 893,129 | \$ 129 |
| Total Revenues | 763,900 | 893,000 | 893,129 | 129 |
| Expenditures | | | | |
| General government: | | | | |
| Salaries, related taxes, and benefits | 385,310 | 286,000 | 285,520 | 480 |
| Local Area Compensated Enforcement Program | 286,090 | 438,000 | 438,146 | (146) |
| Rent, utilities, and telephone | 45,000 | 47,000 | 47,494 | (494) |
| Continuing education, auto, and travel | 18,500 | 12,000 | 12,311 | (311) |
| Office supplies and maintenance | 10,800 | 10,000 | 10,276 | (276) |
| Professional services | - | - | 1,450 | (1,450) |
| Other | 18,200 | 10,000 | 10,317 | (317) |
| Total Expenditures | 763,900 | 803,000 | 805,514 | (2,514) |
| Net Change in Fund Balance | - | 90,000 | 87,615 | (2,385) |
| Fund Balance, Beginning of Year | 496,271 | 496,271 | 496,271 | - |
| Fund Balance, End of Year | \$ 496,271 | \$ 586,271 | \$ 583,886 | \$ (2,385) |

See independent auditors' report.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE BUDGET AND ACTUAL
TITLE IV FUND
FOR THE YEAR ENDED DECEMBER 31, 2017**

| | <u>Budgetary Amounts</u> | | Actual | Variance with Final Budget |
|--|--------------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues: | | | | |
| Grant- Louisiana Department of Social Services | \$ 280,000 | \$ 273,000 | \$ 272,943 | \$ (57) |
| Total Revenues | 280,000 | 273,000 | 272,943 | (57) |
| Expenditures | | | | |
| General government: | | | | |
| Salaries, related taxes, and benefits | 249,585 | 238,000 | 238,159 | (159) |
| Rent, utilities, and telephone | 21,700 | 21,000 | 21,455 | (455) |
| Continuing education, auto, and travel | 1,915 | 1,000 | 1,322 | (322) |
| Office supplies and maintenance | 6,000 | 5,000 | 4,970 | 30 |
| Insurance | 800 | 1,000 | 660 | 340 |
| Other | - | - | 25 | (25) |
| Total Expenditures | 280,000 | 266,000 | 266,591 | (591) |
| Net Change in Fund Balance | - | 7,000 | 6,352 | (648) |
| Fund Balance, Beginning of Year | 106,981 | 106,981 | 102,055 | (4,926) |
| Fund Balance, End of Year | \$ 106,981 | \$ 113,981 | \$ 108,407 | \$ (5,574) |

See independent auditors' report.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR RETIREMENT
SYSTEMS**

LAST FOUR FISCAL YEARS

| For the Year Ended June 30, | Agency's proportion of the net pension liability (asset) | Agency's proportionate share of the net pension liability (asset) | Agency's covered payroll | Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|-----------------------------------|---|--|--------------------------------|--|--|
|-----------------------------------|---|--|--------------------------------|--|--|

District Attorneys' Retirement System of Louisiana

| | | | | | |
|------|-----------|------------|------------|-----|-------|
| 2017 | 0.977340% | \$ 263,610 | \$ 593,929 | 44% | 93.6% |
| 2016 | 0.882340% | \$ 168,887 | \$ 533,943 | 32% | 95.1% |
| 2015 | 1.284160% | \$ 69,172 | \$ 485,623 | 14% | 62.7% |
| 2014 | 0.766340% | \$ 15,283 | \$ 439,051 | 3% | 65.0% |

| For the Year Ended December 31, | Agency's proportion of the net pension liability (asset) | Agency's proportionate share of the net pension liability (asset) | Agency's covered payroll | Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---------------------------------------|---|--|--------------------------------|--|--|
|---------------------------------------|---|--|--------------------------------|--|--|

Parochial Employees' Retirement System of Louisiana

| | | | | | |
|------|----------|------------|------------|-----|-------|
| 2016 | 0.12915% | \$ 265,980 | \$ 765,920 | 35% | 94.1% |
| 2015 | 0.12081% | \$ 317,996 | \$ 644,277 | 49% | 92.2% |
| 2014 | 0.12263% | \$ 33,527 | \$ 697,443 | 5% | 66.2% |
| 2013 | 0.11692% | \$ 8,309 | \$ - | 0% | 76.9% |

*Amounts presented were determined as of the measurement date.

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

Notes to Required Supplementary Information

Changes of Benefit Terms

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

Changes of Assumptions

For District Attorneys' Retirement System, the investment rate of return was decreased from 7.00% to 6.75% for the valuation year ended June 30, 2017. The expected remaining service lives were increased from 6 years to 7 years for the year ended June 30, 2016.

For the Parochial Employees' Retirement System for the valuation year ended December 31, 2015, the investment rate of return decreased from 7.25% to 7.00%, projected salary increases decreased from 5.75% to 5.25% and inflation decreased from 3.00% to 2.50%

See independent auditors' report.

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO RETIREMENT SYSTEMS
LAST FOUR FISCAL YEARS**

| For the Year Ended December 31, | (a) Statutorily Required Contribution | (b) Contributions in relation to the statutorily required contribution | (a-b) Contribution Deficiency (Excess) | Agency's covered payroll | Contributions as a percentage of covered payroll |
|--|--|--|--|--------------------------------|---|
| District Attorneys' Retirement System of Louisiana | | | | | |
| 2017 | \$ - | \$ - | \$ - | \$ 531,970 | 0.0% |
| 2016 | \$ 10,667 | \$ 10,667 | \$ - | \$ 304,771 | 3.5% |
| 2015 | \$ 23,866 | \$ 23,866 | \$ - | \$ 455,519 | 5.2% |
| 2014 | \$ 40,204 | \$ 40,204 | \$ - | \$ 485,482 | 8.3% |
| Parochial Employees' Retirement System of Louisiana | | | | | |
| 2017 | \$ 118,021 | \$ 118,021 | \$ - | \$ 944,168 | 12.5% |
| 2016 | \$ 99,569 | \$ 99,569 | \$ - | \$ 765,920 | 13.0% |
| 2015 | \$ 93,420 | \$ 93,420 | \$ - | \$ 644,277 | 14.5% |
| 2014 | \$ 111,591 | \$ 111,591 | \$ - | \$ 697,443 | 16.0% |

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

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

See independent auditors' report.



**Other Supplementary
Information**

**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2017**

Agency Head Name: Bridget Dinvaut (District Attorney)

| Purpose | |
|--|-------------------|
| Salary | \$ 117,300 |
| Benefits-insurance | 8,886 |
| Housing | 2,644 |
| Per diem | 1,503 |
| Conference travel | 1,459 |
| Reimbursements | 1,180 |
| Cell phone | 840 |
| <hr/> | |
| Total paid by Office of the District Attorney of the 40th Judicial District | 133,812 |
| <hr/> | |
| On-behalf payments for salaries benefits: | |
| Salaries from the State of Louisiana | 50,000 |
| Salaries from St. John the Baptist Parish | 10,000 |
| Benefits from the State of Louisiana | 725 |
| Benefits from St. John the Baptist Parish | 30 |
| <hr/> | |
| Total on-behalf payments | 60,755 |
| <hr/> | |
| Total | \$ 194,567 |

See independent auditors' report.



**Reports Required by
*Government Auditing Standards***

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

To the District Attorney of the Fortieth Judicial District
LaPlace, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fortieth Judicial District (the "District Attorney"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated June 28, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District Attorney'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'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 District Attorney'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 District Attorney's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carly Riggs & Ingram, L.L.C.

June 28, 2018



**DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES**

Part I – Financial Statement Findings

No findings noted for the year ended December 31, 2017.

Part II – Compliance

No findings noted for the year ended December 31, 2017.



DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Part I – Financial Statement Findings

No findings noted for the year ended December 31, 2016.

Part II – Compliance

No findings noted for the year ended December 31, 2016.



Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, Louisiana 70005

(504) 837-9116
(504) 837-0123(fax)
www.CRIcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the Fortieth Judicial District
Laplace, Louisiana
and the Louisiana Legislative Auditor

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

Written Policies and Procedures

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

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

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

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

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

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

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

d) *Receipts*, including receiving, recording, and preparing deposit.

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

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

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

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

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

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

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

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

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

- 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 District Attorney's ethics policy.

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

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

Results: As the entity does not issue debt or have debt service, there is no policy covering the subject; therefore, this procedure is not applicable.

Bank Reconciliations

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

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

- 3. Using the listing obtained from management in #2 above, selected all of the District Attorney's bank accounts. For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and observed that:

- a) Bank reconciliations have been prepared;

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

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

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

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

Results: Two (2) of the three (3) bank accounts selected did not include documentation of management's research of outstanding reconciling items.

Collections

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

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

6. Using the listing provided by management in #5 above, selected all of the District Attorney's cash collection locations. For each cash collection location selected:

- a) Determined who is responsible for collecting cash through inquiry with management.

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

- b) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and inspected the documentation obtained to determine that each person responsible for collecting cash, as identified in #6a above, is (1) bonded, or there is sufficient general liability insurance covering each person, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and (3) not required to share the same cash register or drawer with another employee.

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

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

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

- d) Selected the highest (dollar) week of cash collections from the general ledger during the fiscal period and:

- 1) Obtained the District Attorney's collection documentation, deposit slips, and bank statements for each cash collection included in the highest (dollar) week, traced daily collections to the deposit date on the corresponding bank statement, and observed that the deposits were made within one day of collection.

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

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

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

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

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

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

8. Obtained the general ledger and sorted/filtered for District Attorney disbursements. Obtained management's representation that the general ledger population is complete.

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

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

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

Results: There were no purchase orders utilized for eight (8) of the twenty-five (25) transactions selected.

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

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

- 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; and an approved invoice.

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

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

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

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

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

12. Inquired of management and observed that the supply of unused checks is maintained in a locked location, with access restricted to those persons (as identified by management) that do not have signatory authority.

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

13. If a signature stamp or signature machine is used, inquired of the signer to determine that his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquired of the signer to determine that signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results: As no signature stamp or signature machine is used, this procedure is not applicable.

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

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

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

15. Using the listing obtained by management in #14 above, randomly selected 3 cards that were used during the fiscal period, rotating cards each year. Obtained the monthly statements for the selected cards for the fiscal period. Selected the monthly statement with the largest dollar activity for each card and:

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

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

b) Observed that no finance charges and/or late fees were assessed on the selected statements.

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

16. Using the monthly statements selected under #15 above, obtained supporting documentation as follows for all transactions for each of the 3 cards selected.

a) For each transaction, observed that the transaction is supported by:
1) An original itemized receipt (i.e., identifies precisely what was purchased).

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

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

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

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

Results: As there was no additional documentation required by the written policies, this procedure is not applicable.

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

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

- c) For each transaction, compare the District Attorney's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and determined that the transaction complied with the requirements (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

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

Travel and Expense Reimbursement

17. Obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period. Obtained management's representation that the listing is complete.

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

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

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

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

- a) Compared expense documentation to the written policies and observed that each expense was reimbursed or prepaid in accordance with the written policy obtained in #1h above (e.g., rates established for meals, mileage, lodging).

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

- b) Observed that each expense is supported by:
- 1) An original itemized receipt that identifies precisely what was purchased.
Results: No exceptions were found as a result of applying the procedure.
 - 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
Results: No exceptions were found as a result of applying the procedure.
 - 3) If applicable, other documentation as required by the written policy obtained in #1h above (e.g., authorization for travel, conference brochure, certificate of attendance).
Results: No exceptions were found as a result of applying the procedure.
- c) Compared the District Attorney's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and determined that the transaction complied with the requirements (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
Results: No exceptions were found as a result of applying the procedure.
- d) Observed that each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
Results: No exceptions were found as a result of applying the procedure.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period. Obtained management's representation that the listing is complete.
Results: No exceptions were found as a result of applying the procedure.
21. Using the listing from #20 above, selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to Carr, Riggs & Ingram, LLC). Obtained the related contracts and paid invoices during the fiscal period related to the five vendors selected and:
- a) Observed that there is a formal/written contract that supports the services arrangement and the amount paid.
Results: No exceptions were found as a result of applying the procedure.
 - b) Compared each contract's detail to the requirements of Louisiana Public Bid Law. Determined whether each contract is subject to the Louisiana Public Bid Law and:
 - 1) If yes, obtained/compared supporting contract documentation to legal requirements and observed that the District Attorney complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
Results: None of the selected contracts were subject to the Louisiana Public Bid Law, therefore this procedure was not applicable.

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

Results: For the five contracts not subject to the Louisiana Public Bid Law, no exceptions were found as a result of applying the procedure.

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

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

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

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

Payroll and Personnel

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

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

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

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

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

23. Obtained attendance and leave records for the fiscal period and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, selected 25 employees, and:

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

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

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

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

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

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

24. Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If any termination payments were made during the fiscal year, selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files and if applicable, employment contract for the two employees/officials. Observed that the termination payments were made in strict accordance with the policy obtained in #1e above and/or employment contract and approved by management.

Results: As there were no terminations in the fiscal period, this procedure is not applicable.

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

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

Ethics

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

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

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

Results: No alleged ethics violations were reported to the District Attorney during the fiscal period.

Other

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

Results: There were no misappropriations of public funds or assets during the fiscal period.

29. Observed that the District Attorney has posted on its premises and website, the notice required by R.S. 24:523.1.

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

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

Results: No exceptions were found regarding management's representations in the procedures above, therefore this procedure is not applicable.

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

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

Carly Riggs & Ingram, L.L.C.

June 26, 2018



Bridget A. Dinvaut
District Attorney

FORTIETH JUDICIAL DISTRICT
PARISH OF ST. JOHN THE BAPTIST
STATE OF LOUISIANA

Office (985) 652-9757
Fax (985) 651-6753

1710 Cannes Drive, P. O. Box 399
LaPlace, Louisiana 70069-0399

bdinvaut@stjohnda.com
www.stjohnda.com

June 29, 2018

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
40th Judicial District Attorney's Office

To Whom It May Concern:

The 40th Judicial District Attorney's Office will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,

Bridget A. Dinvaut
District Attorney
St. John the Baptist Parish
40th Judicial District

BAD/mws