

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SHANNA JONES, CPA
WINNFIELD, LOUISIANA

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

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DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

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DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

FINANCIAL STATEMENTS
DECEMBER 31, 2017

Legislative Auditor
P O Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, R Christopher Nevils, District Attorney of the Eighth Judicial District, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the District Attorney of the Eighth Judicial District, at December 31, 2017 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board



R. Christopher Nevils, District Attorney

Sworn to and subscribed before me, this 17th day of May, 2018

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

INDEPENDENT AUDITOR'S REPORT

Honorable R Christopher Nevils
District Attorney
of the Eighth Judicial District
Winnfield, Louisiana 71483

I 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 Eighth Judicial District, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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 of the Eighth Judicial District as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 8 and Budgetary Comparison Schedules on pages 35 and 36 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 statement in appropriate operation, economic, or historical context. I have applied certain limited procedures to the required supplementary information presented 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

Act 462 of 2015 which amends Act 706 of the Louisiana 2014 Legislative Session requires a Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer supplement the financial statements. I have applied certain limited procedures to the required supplementary information presented on page 40, 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

As allowed by Louisiana R.S. 24:513, the Louisiana Legislative Auditor has required governmental entities with public funds of \$500,000 or more to have certain agreed-upon procedures performed as included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The District's management is responsible for those control and compliance (C/C) areas identified in the SAUPs, see pages 44-54. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report presented on pages 55-57. Consequently, I 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.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a reported dated May 17, 2018, on my consideration of the District Attorney of the Eighth Judicial District internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Eighth Judicial District's internal control over financial reporting and compliance.

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
May 17, 2018

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The Management's Discussion and Analysis of the District Attorney of the Eighth Judicial District's financial performance presents a narrative overview and analysis of District Attorney of the Eighth Judicial District's financial activities for the year ended December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the District Attorney of the Eighth Judicial District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The District Attorney of the Eighth Judicial District's Net Position decreased during 2017 by \$11,906. Also, the District Attorney had cash, cash equivalents and investments of \$142,559 at December 31, 2017, which represents an increase of \$21,433 from prior year end. This increase in cash appears to be primarily the result of reductions in Expenses by more than the reduction in Operating Revenues.

During the current fiscal year end, Operating Grants and Contributions decreased by \$8,470 over prior year while Transfers from the Winn Parish Police Jury increased by \$23,709. Fines, Fees and Charges for Services fell by \$23,774. Expenses were reduced in the current year by \$19,198. Although reduced in the current year, the highest expenses were primarily Personnel and Related expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections: Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Supplementary Information.

Basic Financial Statements

This annual report consists of a series of financial statements: The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the District Attorney of the Eighth Judicial District as a whole and present a longer-term view of the District Attorney's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. During the 2015 the District Attorney adopted GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which caused Net Position for the prior year to be restated.

The Statement of Net Position and the Statement of Activities report the District Attorney's net position and changes in them. You can think of the District Attorney's net position, the difference between assets and liabilities, as one way to measure the District Attorney's financial health, or financial position. Over time, increases or decreases in the District Attorney's net position are one indicator of whether its financial health is improving or deteriorating.

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Fund financial statements start on page 11. All of the District Attorney's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District Attorney's general government operations and the basic services it provides governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's activities as well as what remains for future spending.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures.

FINANCIAL ANALYSIS OF THE ENTITY

Summary of the
Statement of Net Position
As of Year End

	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 185,866	\$ 157,640
Capital Assets, Net	53,116	66,596
Deferred Outflows	<u>172,804</u>	<u>209,758</u>
Total Assets and Deferred Outflows	<u>411,786</u>	<u>433,994</u>
Other Liabilities	11,639	12,404
Net Pension Liability	154,450	157,853
Compensated Absences Payable	12,829	9,094
Deferred Inflows	<u>44,060</u>	<u>53,929</u>
Total Liabilities and Deferred Inflows	222,978	233,280
Net Position		
Investment in Capital Assets, Net of Related Debt	53,116	66,596
Restricted	-	2,500
Unrestricted	<u>135,692</u>	<u>131,618</u>
Total Net Position	<u>\$ 188,808</u>	<u>\$ 200,714</u>

Net position of the District Attorney of the Eighth Judicial District's decreased by \$11,906 from the previous fiscal year. The decrease appears to be primarily related to the reduction of revenues.

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Rather than present the Statement of Net Activities, this comparative data shows a Summary of Changes in of Net Position

	For the Year Ended	
	2017	2016
Governmental Activities:		
Judicial Function		
Program Revenues		
Fines, Fees and Charges for Services	\$ 166,422	\$ 190,196
Operating Grants and Contributions	253,756	262,226
Capital Grants and Contributions	-	-
General Revenues	28,534	29,211
Total Revenues	448,712	481,633
Expenses	(772,477)	(791,675)
Excess/(Deficiency) before Transfers	(323,765)	(310,042)
Transfers from Police Jury	311,859	288,150
Change in Net Position	\$(11,906)	\$(21,892)

The District Attorney of the Eighth Judicial District's total revenues decreased by \$32,921 over the previous year balances. The total cost of all programs and services decreased by \$19,198 from the previous year balances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the District Attorney of the Eighth Judicial District had \$53,116, net of depreciation, invested in various office equipment and improvements of capital assets. (See table below.) This amount represents a net decrease (including additions and retirements) of \$13,480 from the previous year.

Summary of
Capital Assets at Year End
(Net of Depreciation)

	2017	2016
Buildings and Improvements	\$ 12,923	\$ 14,685
Equipment, Furniture & Fixtures	40,193	51,911
Total	\$ 53,116	\$ 66,596

This year's major additions included: Equipment, furniture and fixtures \$ 2,348

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Debt and Other Liabilities

The District Attorney of the Eighth Judicial District had \$12,829 in compensated absences payable outstanding at year end compared to \$9,094 at the previous year end, an increase of \$3,735.

There was no new debt noted during year.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The Budgetary Comparison Schedules show actual revenues exceeded budgeted revenues by \$48,750 which appears to be due primarily to fines, fees and charges being more than expected. Actual expenditures were \$27,225 less than budgeted amounts primarily due to operating services being less than projected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District Attorney of the Eighth Judicial District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Fees, fines, and charges for services
- 2) Intergovernmental revenues (state grants and contributions)
- 3) Personal services expense
- 4) Operating services expense

The District Attorney of the Eighth Judicial District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District Attorney of the Eighth Judicial District's finances and to show the District Attorney of the Eighth Judicial District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact R. Christopher Nevils, District Attorney, Post Office Drawer 1374, Winnfield, Louisiana 71483.

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

STATEMENT OF NET POSITION
DECEMBER 31, 2017

Assets:

Current Assets:

Cash & Cash Equivalents	\$ 39,391
Investments	103,168
Receivables	34,081
Prepaid Expenses	<u>9,226</u>
Total Current Assets	185,866

Non-Current Assets:

Capital Assets, Net	<u>53,116</u>
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Total Assets	<u>238,982</u>
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Deferred Outflows:

Pension Related	<u>172,804</u>
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Total Assets & Deferred Outflows	411,786
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Liabilities:

Current Liabilities:

Accounts Payable	3,543
Accrued Expenses	<u>8,096</u>
Total Current Liabilities	11,639

Non-Current Liabilities:

Compensated Absences	12,829
Net Pension Liability	154,450

Deferred Inflows:

Pension Related	<u>44,060</u>
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Total Liabilities and Deferred Inflows	<u>222,978</u>
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Net Position:

Invested in Capital Assets	53,116
Unrestricted	<u>135,692</u>

Total Net Position	<u>\$ 188,808</u>
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The accompanying notes are an integral part of the basic financial statements.

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense)</u>
		<u>Fines, Fees</u>	<u>Operating</u>	<u>Revenue & Changes</u>
		<u>& Charges</u>	<u>Grants &</u>	<u>in Net Position</u>
		<u>for Services</u>	<u>Contributions</u>	<u>Government Activities</u>
Governmental Activities:				
Judicial	\$ 772,477	\$ 166,422	\$ 253,756	\$ (352,299)
General Revenues:				
				25,442
				992
				2,100
				<u>311,859</u>
				<u>340,393</u>
				(11,906)
				<u>200,714</u>
				<u>\$ 188,808</u>

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

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017

	<u>General</u>	<u>Title IV-D</u>	<u>Worthless Checks</u>	<u>Total</u>
Assets:				
Cash & Cash Equivalents	\$ 39,150		\$ 241	\$ 39,391
Investments	103,168			103,168
Receivables	13,555	\$ 20,526		34,081
Prepaid Expenses	9,226			9,226
Due To/(From)	<u>19,772</u>	<u>(20,526)</u>	<u>\$ 754</u>	<u>-</u>
Total Assets	<u>184,871</u>	<u>-</u>	<u>995</u>	<u>185,866</u>
Liabilities:				
Accounts Payable	2,548		995	3,543
Accrued Expenses	<u>8,096</u>	<u>-</u>	<u>-</u>	<u>8,096</u>
Total Liabilities	<u>10,644</u>	<u>-</u>	<u>995</u>	<u>11,639</u>
Fund Balance:				
Nonspendable	9,226			9,226
Unassigned	<u>165,001</u>	<u>-</u>	<u>-</u>	<u>165,001</u>
Total Fund Balances	<u>174,227</u>	<u>-</u>	<u>-</u>	<u>174,227</u>
Total Liabilities & Fund Balances	<u>\$ 184,871</u>	<u>\$ -</u>	<u>\$ 995</u>	<u>\$ 185,866</u>

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

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total Fund Balances for the Governmental Funds at December 31, 2017	\$	174,227
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Deferred Outflows—Pension Related		
District Attorneys' Retirement System		69,532
Parochial Employees' Retirement System		103,272
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Depreciable		124,340
Less: Accumulated Depreciation	(71,224)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet:		
Net Pension Liability		
District Attorneys' Retirement System	(74,022)
Parochial Employees' Retirement System	(80,428)
Deferred Inflows—Pension Related		
District Attorneys' Retirement System	(29,328)
Parochial Employees' Retirement System	(14,732)
Compensated Absences	(<u>12,829)</u>
Total Net Position of Governmental Activities at December 31, 2017	\$	<u>188,808</u>

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

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>Title IV-D</u>	<u>Worthless Checks</u>	<u>Total</u>
Revenues:				
Fines, Fees & Charges for Services	\$ 162,652		\$ 3,770	\$ 166,422
Intergovernmental	57,504	\$ 196,252		253,756
Miscellaneous:				
Interest Earned	992			992
Other	<u>2,100</u>			<u>2,100</u>
Total Revenues	223,248	196,252	3,770	423,270
Expenditures:				
Judicial—Current:				
Personnel & Related	618,159			618,159
Operating Services	77,562			77,562
Travel & Other	5,569			5,569
Capital Outlay	<u>2,348</u>			<u>2,348</u>
Total Expenditures	<u>703,638</u>	<u>-</u>	<u>-</u>	<u>703,638</u>
Excess of Revenues over Expenditures	(480,390)	196,252	3,770	(280,368)
Other Financing Sources/(Uses):				
Transfers from Police Jury	311,859			311,859
Transfers In (Out)	<u>200,022</u>	<u>(196,252)</u>	<u>(3,770)</u>	<u>-</u>
Total Other Financing Sources/(Uses)	511,881	(196,252)	(3,770)	311,859
Excess of Revenues & Other Financing Sources over Expenditures & Other Financing (Uses)	31,491	-	-	31,491
Fund Balances—Beginning of Year	<u>142,736</u>	<u>-</u>	<u>-</u>	<u>142,736</u>
Fund Balances—End of Year	<u>\$ 174,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,227</u>

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

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balances—Governmental Funds \$ 31,491

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 the assets
 is allocated over their estimated useful lives as depreciation
 expense. The cost of Capital Assets recorded in the current
 period is 2,348

Depreciation expense on Capital Assets is reported in the
 Government-wide Financial Statements, but does not require
 the use of current financial resources and is not reported in the
 Fund Financial Statements. Current year depreciation expense is (15,828)

In the Statement of Activities, only the Gain/(Loss) on the Disposal
 of Assets is reported, where as in the Governmental Funds, the
 Proceeds from a Sale increases financial resources thus the Change
 in Net Assets differs from the Change in Fund Balance by the
 portion of the assets disposed of that have not been depreciated. -

Long term liabilities do not require the use of current financial
 resources and therefore are not reported as expenditures in
 the Governmental Funds:

(Increase) in Compensated Absences (3,733)

Non-employer Contributions to Cost-sharing Pension Plan:
 District Attorneys' Retirement System 22,557
 Parochial Employees' Retirement System 2,885

Pension Expense/(Benefit):
 District Attorneys' Retirement System (29,638)
 Parochial Employees' Retirement System (21,988)

Net Change in Net Position per Statement of Activities \$ (11,906)

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

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
FIDUCIARY FUND—ASSET FORFEITURE FUND
DECEMBER 31, 2017

Assets:

Cash	<u>\$ 5,398</u>
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Liabilities:

Due to Others	<u>\$ 5,398</u>
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The accompanying notes are an integral part of the basic financial statements.

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the District Attorney of the Eighth Judicial District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. GASB Statement No. 63 changed the title of Net Assets to Net Position along with standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. As required the District Attorney has implemented GASB Statement No. 63.

B. Reporting Entity

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

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

C. Fund Accounting

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Attorney functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the District Attorney are classified into two categories governmental and fiduciary, as follows:

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

Governmental Funds

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

General Fund - the primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose, provided it is expended or transferred in accordance with state and federal laws and according to District Attorney's policy.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the District Attorney to be accounted for separately. The special revenue funds of the District Attorney of the Eighth Judicial District consist of the following:

Title IV-D Fund - consists of reimbursement grants from the LA Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Worthless Checks Collection Fee Fund (Worthless Checks) - consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives, from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

Fiduciary Funds

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

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Asset Forfeiture Fund - is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

D. Measurement Focus/Basis of Accounting

Government - Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the District Attorney, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Assets & Liabilities at the fund financial statement level.

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

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the Governmental Activities of the Government-Wide Financial Statements are prepared. Therefore, Governmental Fund Financial Statements include reconciliation with brief explanations to better identify the relationship between the Government-wide statements and the statements for governmental funds.

Fund Financial Statements report detailed information about the District Attorney. The focus of governmental fund financial statements is on major funds as defined by GASB Statement No. 54 rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and

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claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Commissions on fines and bond forfeitures and court costs are recorded in the year they are collected by the tax collector. Grants are recorded when the District Attorney is entitled to the funds. Fees on worthless checks are recorded in the year in which the worthless check is paid. Interest income is accrued, when its receipt occurs soon enough after the end of the accounting period so as to be both measurable and available

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Due To/(From)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

Other Financing Sources/(Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The District Attorney of the Eighth Judicial District prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District Attorney amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Assets Liabilities and Equity

Cash and Cash Equivalents

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

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Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments that, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

Investments

Investments are limited by LA R.S. 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Receivables

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

Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2017, no amount was considered to be uncollectible, therefore no provision for uncollectible accounts was deemed necessary.

Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the District Attorney of the Eighth Judicial District is charged as an expense against operations in the Statement of Activities. Capital Assets Net of Accumulated Depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 10 to 40 years for buildings improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Compensated Absences

Full-time employees of the District Attorney of the Eighth Judicial District earn 96 hours of annual compensated leave each year. The maximum amount of this annual leave that may be accumulated and carried over from one year to the next by each employee is 80 hours. Upon termination, an employee is compensated for up to 80 hours of said unused annual leave at the employee's hourly rate of pay at the time of termination.

Equity Classifications

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

Invested in Capital Assets—Capital assets including restricted capital assets, when applicable, net of accumulated depreciation and reduced by the outstanding balances of

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any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets.

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

Unrestricted Net Position—All other components of Net Position that do not meet the definition of “restricted” or “invested in capital assets.”

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

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

The District Attorney establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution. The District Attorney typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used.

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Pension Plan— The District Attorney is a participating employer in two cost-sharing, multiple-employer, public employee retirement systems (PERS) as described in Note 7. 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 for the plans' fiduciary net positions have been determined on the same basis as they are reported by 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 have been reported at fair value within the plans. A separate audited report on each of the plans is available on the Louisiana Legislative Auditor's website.

G. Estimates

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

NOTE 2—DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law, the District Attorney of the Eighth Judicial District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District Attorney may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state-chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits 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 pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. The deposits of \$58,586 at December 31, 2017 were fully secured by FDIC insurance.

B. Investments

The District Attorney of the Eighth Judicial District maintains investment accounts as authorized by the Louisiana Revised Statutes. At December 31, 2017, investments held by the District Attorney consist of \$103,168 in the Louisiana Asset Management Pool (LAMP), the local government investment pool. The investment in LAMP by the District Attorney is not

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categorized in the three risk categories provided by GASB because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by the initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio included only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955 (A)(1)(h) which allows all municipalities, parties, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates.

The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

NOTE 3—ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2017.

<u>Class of Receivable</u>	<u>General Fund</u>	<u>IV-D Fund</u>	<u>Worthless Check Fund</u>	<u>Total</u>
Fines, Fees & Charges for Services	\$ 6,471		\$ -	\$ 6,471
Intergovernmental Revenues	<u>7,084</u>	<u>\$ 20,526</u>		<u>27,610</u>
Total	<u>\$ 13,555</u>	<u>\$ 20,526</u>	<u>\$ -</u>	<u>\$ 34,081</u>

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NOTE 4—CAPITAL ASSETS

A summary of District Attorney of the Eighth Judicial District’s capital assets at December 31, 2017 is as follows:

<u>Governmental Activities</u>	<u>Balance 01/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/17</u>
Capital Assets—Depreciable:				
Buildings & Improvements	\$ 17,622	\$ -	\$ -	\$ 17,622
Less Accumulated Depreciation	<u>(2,937)</u>	<u>(1,762)</u>	<u>-</u>	<u>(4,699)</u>
Subtotal	14,685			12,923
Equipment, Furniture & Fixtures	104,370	2,348	-	106,718
Less Accumulated Depreciation	<u>(52,459)</u>	<u>(14,066)</u>	<u>-</u>	<u>(66,525)</u>
Subtotal	51,911			40,193
Total Capital Assets, Net	<u>\$ 66,596</u>			<u>\$ 53,116</u>

Depreciation expense of \$15,828 for the year ended December 31, 2017 was charged to the Judicial function in the Government-Wide Statement of Activities.

NOTE 5—DUE TO/(FROM) FUNDS

The following is a summary of interfund payables and receivables categorized as Due To/(From) at December 31, 2017.

Fund	<u>Due To</u>	<u>Due From</u>
General	\$ 19,772	
Title IV-D	-	\$ 20,526
Worthless Checks	754	-

NOTE 6—COMPENSATED ABSENCES

At December 31, 2017, employees of the District Attorney of the Eighth Judicial District had accumulated \$12,829 in annual compensated leave benefits.

NOTE 7—PENSION PLANS

The District Attorney participates in two cost-sharing, multiple-employer, public employee retirement systems (PERS). The District Attorney and assistant District Attorney are members of the District Attorneys’ Retirement System. All other employees are members of the Parochial Employees Retirement System of Louisiana, Plan A. These retirement systems are cost-sharing,

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multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

A. District Attorneys' Retirement System

Plan Description—The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Assistant District Attorneys who earn, as a minimum, the amount paid by the state for Assistant District Attorneys and are under the age of 60 at the time of original employment and all District Attorneys are required to participate in the System.

Members who joined the system before July 1, 1990, and who have elected not to be covered by the subsequent provisions, are eligible to receive a normal retirement benefit if they have ten or more years of creditable service and are at least age sixty-two, or if they have eighteen or more years of service and are at least age sixty, or if they have twenty-three or more years of service and are at least age fifty-five, or if they have thirty 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 sixty if they have at least ten years of creditable service or at age fifty-five with at least eighteen years of creditable service. Members who retire prior to age sixty with less than twenty-three years of service credit receive a retirement benefit reduced 3% for each year of age below sixty. Members who retire prior to age sixty-two who have less than eighteen years of service receive a retirement benefit reduced 3% for each year of age below sixty-two. Retirement benefits may not exceed 100% of final average compensation.

For members who joined the system after July 1, 1990, or who elected to be covered by the new provisions the following applies. Members 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 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement 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 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of final compensation. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Louisiana District Attorneys Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana, 70802-8143, or by calling (225) 267-4824.

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Funding Policy—Plan members are required by state statute to contribute 8.00% of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The rate which is based on annual covered payroll was 0% from January 1, 2017 through June 30, 2017 and 0.0% from July 1, 2017 through December 31, 2017. Contributions to the system include 2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney’s employer contributions to the System for the years ended December 31, 2017, 2016 and 2015 were \$0, \$2,560, and \$9,208, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2017, the District Attorney reported a liability of \$74,022 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney’s proportion of the net pension liability was based on a projection of the District Attorney’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District Attorney’s proportion was .0244%, which was a decrease of 0.004% from its proportion measured as of June 30, 2016. For the year ended December 31, 2017, the District Attorney recognized pension expense/(benefit) of (\$29,638) representing its proportionate share of the System’s net expense, including amortization of deferred amounts.

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

Deferred Flows of Resources	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience		\$ 19,460
Changes of assumptions	\$ 33,187	8,736
Net difference between projected and actual earnings on pension plan investments	29,707	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,638	1,132
Employer contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Totals	<u>\$ 69,532</u>	<u>\$ 29,328</u>

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The District Attorney reported a total of \$0 as deferred outflow of resources related to pension contributions made subsequent to the plan’s measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the District Attorney’s fiscal year ended December 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including remaining plan’s amortization, related to pensions will be recognized in pension expense as follows:

Year	Amount
2018	\$ 4,819
2019	19,441
2020	8,187
2021	1,366
2022	2,735
2023	<u>3,656</u>
Total	<u>\$40,204</u>

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.75% net of investment expense
Projected Salary Increases	5.5 % (2.5% Inflation, 3.0% Merit)
Cost of Living Adjustments	Only those previously granted
Expected Remaining Service Lives	7 years
Mortality	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females). RP-2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) was selected for disabled annuitants.

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

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by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long term rate of return was 9.06% as of June 30, 2017.

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

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Expected Portfolio Rate of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equity	61.72%	11.31%	
Fixed Income	28.95%	6.84%	
Alternatives	8.85%	10.50%	
Real Estate	<u>0.48%</u>	0.50%	
System Total	100.00%		6.56%
Inflation			<u>2.50%</u>
Expected Arithmetic Nominal Return			<u>9.06%</u>

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate as of June 30, 2017.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
District Attorneys’ Retirement System Rates	5.75%	6.75%	7.75%
District Attorney’s Share of NPL	\$221,528	\$ 74,022	\$ (42,824)

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B. Parochial Employees' Retirement System

Plan Description—Substantially all employees of the District Attorney of the Eighth Judicial District are members of the Parochial Employees' Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All members from the District Attorney's office participate in Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds excluding all but certain elected parish officials are eligible to participate in the system. Under Plan A, active employees hired prior to January 1, 2007 who retire at or after age 65 with at least 7 years creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. For active employees hired on or after to January 1, 2007 who retire at or after age 67 with at least 7 years creditable service, at or after age 62 with at least 10 years of creditable service, or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Parochial Employees' Retirement System, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

Funding Policy—Under Plan A, members are required to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The rate was 12.5% of annual covered payroll during 2017. Contributions to the retirement system also include one-fourth of 1.0% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The employer's contributions to the retirement system under Plan A for the years ended December 31, 2017, 2016, and 2015 were \$25,587, \$30,108, and \$33,027, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2017, the District Attorney reported a liability of \$80,428 for its proportionate share of the net pension liability of the Parochial System. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on a

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projection of the District Attorney’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the District Attorney’s proportion was .0391%, which was a decrease of 0.0006% from its proportion measured as of December 31, 2015. For the year ended December 31, 2017, the District Attorney recognized pension expense/(benefit) of (\$21,988) representing its proportionate share of the System’s net expense, including amortization of deferred amounts.

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

Deferred Flows of Resources	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience		\$ 14,074
Changes of assumptions	\$ 15,270	-
Net difference between projected and actual earnings on pension plan investments	62,415	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	658
Employer contributions subsequent to the measurement date	<u>25,587</u>	<u>-</u>
Totals	\$ 103,272	\$ 14,732

The District Attorney reported a total of \$25,587 as deferred outflow of resources related to pension contributions made subsequent to the plan’s measurement period of December 31, 2016 which will be recognized as a reduction in net pension liability in the District Attorney’s fiscal year ended December 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources, including remaining plan’s amortization, related to pensions will be recognized in pension expense as follows:

Year	Amount
2017	\$ 23,443
2018	24,804
2019	16,395
2020	<u>(1,689)</u>
Total	<u>\$ 62,953</u>

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.0% (Net of investment expense and inflation)
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Expected Remaining Service Lives	4 years
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 increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.66% for the year ended December 31, 2016.

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

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher 8.00% than the current rate as of December 31, 2016.

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Parochial Retirement System Rates	6.00%	7.00%	8.00%
District Attorney's Share of NPL	\$ 240,593	\$ 80,428	\$ (54,996)

NOTE 8—INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2017, were as follows.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 200,022	
IV-D		\$ 196,252
Worthless Checks		<u>3,770</u>
Total	<u>\$ 200,022</u>	<u>\$ 200,022</u>

NOTE 9—LEASES

The District Attorney of the Eighth Judicial District was not obligated under any noncancellable capital or operating leases agreements at December 31, 2017.

NOTE 10—LITIGATION

The District Attorney of the Eighth Judicial District was not involved in any litigation at December 31, 2017.

DISTRICT ATTORNEY OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 11—RISK MANAGEMENT

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

NOTE 12—CLAIMS AND JUDGMENTS

The District Attorney of the Eighth Judicial District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District Attorney may be required to reimburse the grantor government. The District Attorney of the Eighth Judicial District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District Attorney of the Eighth Judicial District.

NOTE 13— SUBSEQUENT EVENTS

Management has evaluated events through May 17, 2018, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

REQUIRED
SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

BUDGETARY COMPARISON SCHEDULE—GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Fines, Fees & Charges for Services	\$ 111,000	\$ 122,250	\$ 162,652	\$ 40,402
Intergovernmental	56,773	52,500	57,504	5,004
Interest	-	-	992	992
Miscellaneous	-	-	2,100	2,100
Total Revenues	<u>167,773</u>	<u>174,750</u>	<u>223,248</u>	<u>48,498</u>
Expenditures:				
Current—Judicial				
Personnel & Related	519,266	579,925	618,159	(38,234)
Operating Services	153,621	134,750	77,562	57,188
Travel	10,750	11,640	5,569	6,071
Capital Outlay	26,000	4,800	2,348	2,452
Total Expenditures	<u>709,637</u>	<u>731,115</u>	<u>703,638</u>	<u>27,477</u>
Excess (Deficiency) of Revenues Over Expenditures	(541,864)	(556,365)	(480,390)	75,975
Other Financing Sources/(Uses):				
Transfers—Police Jury	323,318	310,375	311,859	1,484
Other Transfers In	227,600	199,770	200,022	252
Total Other Financing Sources/(Uses)	550,918	510,145	511,881	1,736
Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	9,054	(46,220)	31,491	77,711
Fund Balance—Beginning of Year	<u>142,736</u>	<u>142,736</u>	<u>142,736</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 151,790</u>	<u>\$ 96,516</u>	<u>\$ 174,227</u>	<u>\$ 77,711</u>

See accountant's report.

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

BUDGETARY COMPARISON SCHEDULE—TITLE IV-D FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Intergovernmental	<u>\$ 220,100</u>	<u>\$ 196,000</u>	<u>\$ 196,252</u>	<u>\$ 252</u>
Total Revenues	<u>220,100</u>	<u>196,000</u>	<u>196,252</u>	<u>252</u>
Expenditures:				
Current—Judicial	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	220,100	196,000	196,252	252
Other Financing Sources/(Uses):				
Other Transfers (Out)	<u>(220,100)</u>	<u>(196,000)</u>	<u>(196,252)</u>	<u>(252)</u>
Total Other Financing Sources/(Uses)	(220,100)	(196,000)	(196,252)	(252)
Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures & Other Financing Uses	-	-	-	-
Fund Balance—Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance—End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accountant's report.

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2017

District Attorneys' Retirement System:

Actuarial Valuation Date	Employer Portion of the Net Pension Liability/ (Asset)	Employer Proportionate Share of the Net Pension Liability/ (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/17	.0274%	\$74,022	\$166,769	44.39%	93.57%
06/30/16	.0278%	53,283	168,462	31.63%	95.09%
06/30/15	.0284%	15,312	166,693	9.19%	98.56%

Parochial Employees' Retirement System:

Actuarial Valuation Date	Employer Portion of the Net Pension Liability/ (Asset)	Employer Proportionate Share of the Net Pension Liability/ (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/16	.0391%	\$ 80,428	\$231,599	34.73%	94.15%
12/31/15	.0397%	104,570	\$227,773	45.91%	92.23%
12/31/14	.0324%	8,850	187,646	4.72%	99.15%

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

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

District Attorneys' Retirement System:

Actuarial Valuation Date	Contractually Required Contribution	Contributions in relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
06/30/17	\$ -	\$ -	\$ -	\$ 166,769	0.0%
06/30/16	5,896	5,896	-	168,462	3.5%
06/30/15	11,669	11,669	-	166,693	7.0%

Parochial Employees' Retirement System:

Actuarial Valuation Date	Contractually Required Contribution	Contributions in relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
12/31/16	\$30,108	\$30,108	\$ -	\$231,599	13.00%
12/31/15	33,027	33,027	-	227,773	14.50%
12/31/14	30,023	30,023	-	187,646	16.00%

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

OTHER
SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

SCHEDULE OF COMPENSATION FOR AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2017

In accordance with Act 462 of 2015 which amends Act 706 of the 2014 Legislative Session the following Schedule of Compensation, Reimbursements, Benefits and Other Payment to the Agency Head or Chief Executive Officer is presented.

The Head of Operations is the District Attorney, R. Christopher Nevils. The payments the District Attorney as required to be disclosed per Act 462 for the fiscal year ended December 31, 2017, are as follows.

Through the District Attorney of the Eighth Judicial District:		
Gross Salary	\$	106,531
Retirement Contributions		-
Health Insurance		-
Life Insurance		170
Per Diem		1,180
Conferences and Seminars		50
Other Travel Expenses		621
Dues		915
Through the Winn Parish Police Jury:		
Gross Salary		10,000
Retirement Contributions		800
Health Insurance		8,932
Through the State of Louisiana:		
Gross Salary		50,000
Retirement Contributions		-

Vouchered expenses purchased for the District Attorney's office and reimbursed were not included unless for direct benefit of District Attorney as noted above and per Act 462.

See accountant's report.

Shanna Jones, CPA

*795 Big Creek Rd
Winnfield, LA 71483
792-8544*

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

Honorable R. Christopher Nevils
District Attorney of the Eighth Judicial District
Winnfield, Louisiana

I have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the District Attorney of the Eighth Judicial District, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2017, and related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon dated May 17, 2018. I conducted my 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 U.S. and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing the audit of the financial statements, I 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control. Accordingly, I 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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Attorney of the Eighth Judicial District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 17-01.

District Attorney of the Eighth Judicial District's Response to Findings

District Attorney of the Eighth Judicial District's response to the finding identified in the audit is described in the accompanying schedule of findings. The District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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



Shanna Jones, CPA
Winnfield, Louisiana
May 17, 2018

DISTRICT ATTORNEY
OF THE EIGHTH JUDICIAL DISTRICT
WINNFIELD, LOUISIANA

SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unqualified opinion on the financial statements of the District Attorney of the Eighth Judicial District.
2. There were no significant deficiencies noted during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of the District Attorney of the Eighth Judicial District were disclosed during the audit.

A. FINANCIAL STATEMENTS AUDIT

Compliance

17-01 Ethics Training, Louisiana R. S. 42:1170A

Finding—In performing the state-wide AUPs noted employee did not have documentation to support compliance with LA R.S. 42:1170A which requires public servants to complete one hour of ethics training annually.

Recommendation—Management should implement procedures to ensure all employees comply with state ethics requirements.

Management's Response—The employee causing the finding is an employee of record only and is supervised by the judge's office who receives a FINS grant from the Supreme Court for her salary. A procedure has been implemented to verify compliance with the ethics training.

B. PRIOR YEAR FINDINGS

The report dated May 22, 2017 showed no findings.

Shanna Jones, CPA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING LOUISIANA LEGISLATIVE AUDITOR'S STATEWIDE AGREED-UPON PROCEDURES

Honorable R Christopher Nevils
District Attorney
of the Eighth Judicial District
and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the management of the District Attorney of the Eighth Judicial District (the District Attorney), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District Attorney of the Eighth Judicial District's compliance with certain laws and regulations during the fiscal year ended December 31, 2017, included in the *Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures* (SAUPs). The District Attorney's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written procedures appear to address each of these enumerated financial/business functions.

BOARD OR FINANCE COMMITTEE, if applicable

2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
N/A
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
N/A
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
N/A

BANK RECONCILIATIONS

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Management provided me with required listing and representation.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
Bank reconciliations appear to have been prepared.
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
No evidence noted showing that member of management with no involvement in the transactions reviewed bank reconciliations.
 - 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.
Noted documentation reflecting that entity has researched reconciling items that appear to have been outstanding for more than six months during fiscal year ended December 31, 2017.

COLLECTIONS

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
Management provided listing and representation.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
No cash noted as received other than checks and money orders. Appears checks are mailed to District Attorney. No bonding noted. Management stated District Attorney opens mail and distributes to employees. Accountant receives checks and supporting documentation for depositing, recording and reconciliation.
 - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
Accountant reconciles cash deposits to revenue source supporting documentation.

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

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

The week of February 3, 2017 had the largest collection; therefore, it's collections were traced from the deposit recording to the related revenue source documentation. As deposit was made up of checks, unable to determine if deposit made same day received; however, based on checks, supporting data and deposit date appears deposit was made timely.

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

Again, does not appear that entity receives cash; only checks and money orders. Management copies checks and money orders and attaches to related documentation provide support for monies received.

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

Entity's policy states copying checks/money orders and attaching supporting documentation. Monies received from other entities and related to court related fees not typically originated in house.

DISBURSEMENTS – General

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

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

Obtained listing and representation letter.

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

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

Purchases do not appear to have been initiated using a requisition/purchase order system as no purchase orders noted to be attached to invoices.

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

Per policy, office administrator orders and keeps receipts for recording and District Attorney reviews and signs checks as approval. A second signature is required by an employee not responsible for recording check.

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

Payments for purchases sampled had related invoice for support. District Attorney signs checks as approval.

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

It does not appear that the person responsible for processing payments, accountant/office administrator, is prohibited from adding vendors. However, supporting invoices were noted for each payment and accountant not authorized to sign checks.

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

Persons with signing authority do not appear to record purchases.

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Management presented unused check supplies locked in offices.

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

No signature stamp utilized. Accountant mails once signed.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

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

Obtained listing and representation letter.

- 15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating

cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

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

On the largest monthly statement noted approval in writing by DA and purchases had original receipts supporting attached in addition to statements' detailed reports. As DA authorized holder, also noted second employee signature on check.

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

Appear to pay off charges monthly, noted no finance charges and/or late fees appear to have been assessed on the related statement of card.

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

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

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

For statement selected original itemized receipts available with vendor notation of purchase.

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

Business purpose noted on documentation. No meal charges noted on required selection.

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

No additional documentation noted to be required per policy.

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

No purchases appear to have Public Bid Law requirements.

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

to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

On required selection of largest month, vendor documentation appears to be for allowable expenditures: judicial, office supplies, fuel, travel, etc.

TRAVEL AND EXPENSE REIMBURSEMENT

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

Obtained management's representation and listing.

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

Written policy states follow Louisiana Supreme Court travel policy and reimburse at state approved rates. Client provided documentation showing \$118/day per diem for travel outside 50-mile radius and \$59/day within 50-mile radius.

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

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

Noted reimbursements at per diem rate. Conference registration and majority of lodging paid directly.

- b) Report whether each expense is supported by:

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

Noted reimbursements at per diem rate and one lodging at actual cost.

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

Supporting documentation states public purpose, typically conferences.

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

No additional documentation appears required for employees tested.

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

Appear proper.

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

Documentation of expenses appear reviewed and approved by someone other than person receiving reimbursement.

CONTRACTS

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

Obtained management listing and representation.

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

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

Noted written contract appears to support service arrangement and amount paid.

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

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

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

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment. Only vendor contract not appear to be amended.

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

Supporting invoice appears payment complied with terms and conditions of contract.

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

PAYROLL AND PERSONNEL

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Obtained listing and representation.

Randomly select five employees/officials, obtain their personnel files, and:

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

Appear to comply with pay rates approved by management.

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

Changes in pay rates noted for current fiscal year were approved in writing.

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

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

Noted daily attendance logged for hourly employees. Leave documented as taken or earned.

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

Noted approval documented in writing for employees selected.

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

Office administrated stated maintaining leave records in QuickBooks, which prints on paystubs.

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

Obtained representation, employees resigning during current fiscal year not eligible for such payments.

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

employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Payroll taxes and retirement contributions appear to be submitted to applicable agencies by required deadlines.

ETHICS (excluding nonprofits)

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

Ethic certificates supporting most employees training completed were noted in documentation. One employee stated she did not complete the training and another could not provide documentation.

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

Per management, no allegations of ethics violations were reported to the entity during the fiscal period.

DEBT SERVICE (excluding nonprofits)

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

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

No debt noted as outstanding during the fiscal period.

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

OTHER

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

No misappropriations of public funds or assets noted.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at

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

Noted fraud hotline notice posted on premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

Shanna Jones

Shanna Jones, CPA
Winnfield, Louisiana
May 17, 2018

DISTRICT ATTORNEY
FOR THE EIGHTH JUDICIAL DISTRICT
P. O. DRAWER 1374
WINNFIELD, LA 71483

Louisiana Agreed-Upon Procedures Representation Form

May 17, 2018

Shanna Jones, CPA
795 Big Creek Rd
Winnfield, LA 71483

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2017 through December 31, 2017, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; disbursements; credit/debit/fuel/purchasing cards; travel and expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas, as applicable.

Yes No
2. For the fiscal period January 1, 2017 through December 31, 2017, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No
4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No
5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2017, and May 17, 2018.

Yes No

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

7. We represent that the listing of bank accounts provided to you is complete.

Yes No

8. We represent that the listing of cash/check/money order (cash) collection locations provided to you is complete.

Yes No

9. We represent that the listing of entity disbursements or the general ledger population of entity disbursements provided to you is complete.

Yes No

10. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards, provided to you is complete.

Yes No

11. We represent that the listing of all travel and related expense reimbursements, by person, during the fiscal period or the general ledger population of travel and related expense reimbursements provided to you is complete.

Yes No

12. We represent that the listing of all contracts in effect during the fiscal period or the general ledger population of contract payments provided to you is complete.

Yes No

13. We represent that the listing of employees (and elected officials, if applicable) with their related salaries provided to you is complete.

Yes No

14. We represent that the listing of employees (and elected officials, if applicable) that terminated during the fiscal period provided to you is complete.

Yes No

15. We have disclosed to you other data you deemed necessary to complete SAUPs.
Yes No
16. We have responded fully to all inquiries made by you during the engagement.
Yes No
17. We are not aware of any events that have occurred subsequent to December 31, 2017, that would require adjustment to or modification of the results of the agreed-upon procedures.
Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature  Date 5/17/18

Title District Attorney