

**DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2014  
With Supplemental Information Schedules**

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended December 31, 2014  
With Supplemental Information Schedules

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DISTRICT ATTORNEY OF THE  
 SIXTH JUDICIAL DISTRICT  
 Parishes of East Carroll, Madison and Tensas, Louisiana  
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## Independent Auditor's Report

HONORABLE JAMES PAXTON  
DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the District Attorney of the Sixth Judicial District, a component unit of the East Carroll, Madison and Tensas Parish Police Juries, as of December 31, 2014, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District Attorney of the Sixth Judicial District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express opinions 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 United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana  
Independent Auditor's Report.  
December 31, 2014

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the District Attorney of the Sixth Judicial District as of December 31, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, the budgetary comparison information on pages 31 through 33, and schedule of compensation, benefits and other payments to agency head on page 34, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Sixth Judicial District's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

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

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana  
Independent Auditor's Report,  
December 31, 2014

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

In accordance with *Government Auditing Standards*, I have also issued a report dated June 19, 2015, on my consideration of the District Attorney of the Sixth Judicial District's internal control over financial reporting and on 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 Sixth Judicial District's internal control over financial reporting and compliance.



West Monroe, Louisiana  
June 19, 2015

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

**Management's Discussion and Analysis**  
December 31, 2014

As management of the District Attorney of the Sixth Judicial District, I offer readers of the District Attorney of the Sixth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District Attorney of the Sixth Judicial District for the fiscal year ended December 31, 2014. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the district attorney's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district attorney's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

*Government-wide financial statements.* The *government-wide financial statements* are designed to provide readers with a broad overview of the District Attorney of the Sixth Judicial District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District Attorney of the Sixth Judicial District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney of the Sixth Judicial District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney of the Sixth Judicial District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Attorney of the Sixth Judicial District can be divided into two categories: governmental funds and fiduciary (agency) funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District Attorney of the Sixth Judicial District adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the District Attorney of the Sixth Judicial District's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District Attorney of the Sixth Judicial District's performance.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the District Attorney of the Sixth Judicial District exceeded liabilities by \$267,694. Approximately 24% of the District Attorney of the Sixth Judicial District's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

An additional portion of the District Attorney of the Sixth Judicial District's net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the District Attorney of the Sixth Judicial District to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION  
Governmental Funds

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$151,494	\$253,801
Investments		39,788
Receivables	82,381	84,578
Capital assets (net of accumulated depreciation)	<u>63,726</u>	<u>82,972</u>
<b>TOTAL ASSETS</b>	<u>\$297,601</u>	<u>\$461,139</u>
<b>LIABILITIES</b>		
Accounts payable	\$24,973	\$40,630
Payroll withholdings payable	<u>4,934</u>	<u>8,929</u>
<b>TOTAL LIABILITIES</b>	<u>29,907</u>	<u>49,559</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	63,726	82,972
Restricted	79,175	97,822
Unrestricted	<u>124,793</u>	<u>230,786</u>
<b>TOTAL NET POSITION</b>	<u>\$267,694</u>	<u>\$411,580</u>

STATEMENT OF ACTIVITIES

	<u>2014</u>	<u>2013</u>
Judicial:		
Personal services	\$875,683	\$936,369
Operating services	120,155	165,354
Materials and supplies	78,441	198,875
Travel	15,326	37,388
Depreciation expense	<u>34,299</u>	<u>52,329</u>
Total Program Expenses	<u>1,123,904</u>	<u>1,390,315</u>
Program revenues:		
Commissions on fines & forfeitures	648,545	568,462
Intergovernmental		782,838
Use of money - interest	156	321
Federal grants	266,381	
State grants	<u>30,000</u>	
Total program revenues	<u>945,082</u>	<u>1,351,621</u>
Net Program Expenses	(178,822)	(38,694)
General revenues-		
Other revenues	<u>34,936</u>	
Change in Net Position	(143,886)	(38,694)
Net Position - Beginning of year	<u>411,580</u>	<u>450,274</u>
Net Position - End of year	<u>\$267,694</u>	<u>\$411,580</u>

Prio year assets were adjusted due to calculation of depreciation being corrected.

## **Financial Analysis of the Government's Funds**

As noted earlier, the District Attorney of the Sixth Judicial District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2014, combined governmental fund balance of \$203,968 showed a decrease of \$124,640 over December 31, 2013. The General Fund's portion of the unassigned fund balance of \$108,496 shows a decrease (of approximately \$129,691) from the prior year amount.

### **General Fund Budgetary Highlights**

There were no budget amendments for the current year.

### **Capital Asset and Debt Administration**

**Capital assets.** The District Attorney of the Sixth Judicial District's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$63,726 (net of accumulated depreciation). This investment includes furniture and equipment. The increase in capital assets was \$15,053. There were no deletions for the year.

**Long-term debt.** The District Attorney of the Sixth Judicial District has no debt outstanding at the end of the year.

### **Requests for Information**

This financial report is designed to provide a general overview of the District Attorney of the Sixth Judicial District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Sixth Judicial District, P.O. Box 1389, Tallulah, LA 71284.

**BASIC FINANCIAL STATEMENTS**

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Governmental Activities  
Statement of Net Position  
December 31, 2014

<b>Assets</b>	
Cash and cash equivalents	\$151,494
Receivables	82,381
Capital assets (net)	<u>63,726</u>
Total Assets	<u><u>\$297,601</u></u>
<b>Liabilities</b>	
Accounts payable	\$24,973
Payroll withholding payable	<u>4,934</u>
Total Liabilities	<u><u>\$29,907</u></u>
<b>Net Position</b>	
Invested in capital assets, net of related debt	\$63,726
Unrestricted	<u>203,968</u>
Total Net Position	<u><u>\$267,694</u></u>

See accompanying notes to basic financial statements.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

STATEMENT OF ACTIVITIES  
December 31, 2014

**EXPENSES**

## Judicial:

Personal services	\$875,683
Operating services	120,155
Materials and supplies	78,441
Travel	15,326
Depreciation expense	34,299
Total Program Expenses	<u>1,123,904</u>

**REVENUES**

## Program revenues:

Commissions on fines and forfeitures	648,545
Use of money - interest	156
Federal grants	266,381
State grants	30,000
Total program revenues	<u>945,082</u>
Net Program Expenses	<u>(178,822)</u>

## General revenues:

Other revenues	34,936
Change in Net Position	(143,886)
Net Position - Beginning of year	411,580
Net Position - End of year	<u><u>\$267,694</u></u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana  
GOVERNMENTAL FUNDS

Combined Balance Sheet, December 31, 2014

	...MAJOR FUNDS...		
	GENERAL	IV-D SPECIAL REVENUE	
	FUND	FUND	TOTAL
<b>ASSETS</b>			
Cash	\$72,319	\$79,175	\$151,494
Receivables	<u>61,031</u>	<u>21,350</u>	<u>82,381</u>
TOTAL ASSETS	<u>\$133,350</u>	<u>\$100,525</u>	<u>\$233,875</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$23,822	\$1,151	\$24,973
Payroll deductions payable	<u>1,032</u>	<u>3,902</u>	<u>4,934</u>
Total Liabilities	<u>24,854</u>	<u>5,053</u>	<u>29,907</u>
Fund Equity - fund balance:			
Restricted - other general government	6,867	95,472	102,339
Unassigned	<u>101,629</u>	<u>          </u>	<u>101,629</u>
Total Fund Equity	<u>108,496</u>	<u>95,472</u>	<u>203,968</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$133,350</u>	<u>\$100,525</u>	<u>\$233,875</u>

See accompanying notes and accountant's compilation report.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

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

For the Year Ended December 31, 2014

Total Fund Balance at December 31 Governmental Funds (Statement C)		<u>\$203,968</u>
Cost of capital assets	\$357,174	
Less: Accumulated depreciation	<u>(293,448)</u>	<u>63,726</u>
Net Position at December 31 (Statement A)		<u>\$267,694</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2014

	....Major Funds....		
	General	IV-D	Total
<b>REVENUES</b>			
Intergovernmental revenues:			
Federal grants	\$2,552	\$263,829	\$266,381
State grants	30,000		30,000
Commissions on fines & forfeitures	648,545		648,545
Use of money - interest	36	120	156
Other revenues	28,951	5,985	34,936
Total revenues	710,084	269,934	980,018
<b>EXPENDITURES</b>			
Current:			
Judicial:			
Personal services and related benefits	641,714	233,969	875,683
Operating services	98,039	22,116	120,155
Materials and supplies	71,595	6,846	78,441
Travel and other charges	13,374	1,952	15,326
Capital outlay	15,053		15,053
Total expenditures	839,775	264,883	1,104,658
Excess (Deficiency) of revenues over expenditures	(129,691)	5,051	(124,640)
<b>FUND BALANCES - BEGINNING</b>	238,187	90,421	328,608
<b>FUND BALANCES - ENDING</b>	\$108,496	\$95,472	\$203,968

See accompanying notes to basic financial statements.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

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

For the Year Ended December 31, 2014

Total net change in fund balances - governmental funds (Statement D) (S124,640)

Amounts reported for governmental activities in the Statement of Activities are different because:  
Capital outlays are reported in governmental funds as expenditures. However, in the statement of  
Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.  
This is the amount by which capital outlays exceed depreciation for the period.

(19,246)

Change in net position of governmental activities (Statement B)

(S143,886)

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Statement of Fiduciary Net Assets - Agency Fund

December 31, 2014

	<u>SPECIAL ASSET FORFEITURE</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$25,482</u>
<b>LIABILITIES</b>	
Deposits due others	<u>\$25,482</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 judicial district encompasses the Parishes of East Carroll, Madison and Tensas, Louisiana.

The accompanying financial statements of the District Attorney of the Sixth Judicial District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the district attorney to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the district attorney.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

2. Organizations for which the district attorney does not appoint a voting majority but are fiscally dependent on the district attorney.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the district attorney's office is located and provides partial funding for equipment, furniture and supplies of the district attorney's office, the district attorney was determined to be a component unit of the Madison 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 police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Madison Parish financial reporting entity.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The district attorney's basic financial statements include both government-wide (reporting the district attorney as a whole) and fund financial statements (reporting the district attorney's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district attorney are classified as governmental.

The district attorney reports the following major governmental funds:

The General Fund is the district attorney's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district attorney.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position is reported in three parts: invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district attorney first uses restricted resources to finance qualifying activities.

The government-wide financial statements are 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*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district attorney's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district attorney's general revenues.

**Allocation of Indirect Expenses** - The district attorney reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

### **C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the district attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district attorney. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district attorney's current operations require the use of only governmental funds. The governmental fund types used by the district attorney is described as follows:

**Governmental Fund Type**

**General Fund (District  
Attorneys' Expense)**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal and state grants and fees for services. Those revenues are legally restricted, either by grant agreement or state law, to expenditures for specified purposes such as family and child support programs, and specified expenses of the district attorney's office.

**Fiduciary Fund Type - Agency Fund**

The Special Asset Forfeiture Agency Fund accounts for all transactions involving money seized during controlled substance cases, sale of property seized during controlled substance cases and later declared forfeited by the courts, and the distribution of the above funds in accordance with Louisiana Revised Statute 40:2616. The fund was created by the Seizure and Controlled Dangerous Substance Property Forfeiture Act of 1989 and became effective January 1, 1990.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

**1. Accrual:**

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. 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. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

**Revenues**

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collector.

Fees from the collection of worthless checks are recorded in the year they are collected. Grants are recorded when the district attorney is entitled to the funds. Interest income on time deposits is recorded when the time deposits have matured and the interest is available. Substantially all other revenues are recorded when received.

Based on the above criteria, commissions on fines and bond forfeitures, and grants have been treated as susceptible to accrual.

**Expenditures**

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

**E. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the district attorney, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Estimated Lives</u>
	Furniture and fixtures	5 - 10 years
	Vehicles	5 - 15 years
	Equipment	5 - 20 years

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

**F. VACATION AND SICK LEAVE**

Employees of the district attorney's office receive from 5 to 20 days of non-cumulative vacation leave each year, depending on their length of service. Each employee is allowed 10 days of sick leave each calendar year. There is a limit of 90 days of sick leave that an employee can accumulate. However, at retirement or termination, the employee forfeits all unused sick leave.

**G. RISK MANAGEMENT**

The district attorney is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district attorney maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2014.

**H. CASH AND CASH EQUIVALENTS**

Under state law, the district attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2014, the district attorney has cash and cash equivalents (book balances) totaling \$176,976.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at December 31, 2014, total \$215,528 and are fully secured by federal deposit insurance.

**2. RECEIVABLES**

The following is a summary of receivables at December 31, 2014:

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

	General Fund	Title IV-D Special Revenue Fund	Total
Intergovernmental revenues:			
Federal-Department of Health and Human Services		\$21,350	\$21,350
Fees, charges and commissions, etc.	\$61,031		61,031
Total	<u>\$61,031</u>	<u>\$21,350</u>	<u>\$82,381</u>

**3. CHANGES IN CAPITAL ASSETS**

A summary of changes in office equipment follows:

Balance, January 1, 2014	\$342,121
Additions	15,053
Deletions	<u>NONE</u>
Balance at December 31, 2014	<u>357,174</u>
Less accumulated depreciation	<u>(293,448)</u>
Net capital assets	<u>\$63,726</u>

**4. PENSION PLAN**

The district attorney and assistant district attorneys of the Sixth Judicial District 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. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below age 62. The retirement benefit is equal to 3 percent of the members' average final compensation multiplied by the number of years of his membership service, not to exceed 100 percent of his average final compensation.

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

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 members' 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 by 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

Plan members are required by state statute to contribute 7.0 per cent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The current rate is 7.0 per cent of annual covered payroll. Contributions to the system include .2 per cent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Seventh Judicial Districts' contributions to the System for the year ending December 31, 2014, 2013 and 2012 was \$25,766, \$40,824 and \$38,556, respectively.

Substantially all other employees of the Seventh Judicial district are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan 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 employees of the district attorney are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire 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 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

employees' average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Seventh Judicial District is required to contribute at an actuarially determined rate. The current rate is 16 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Seventh Judicial District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Seventh Judicial Districts' contributions to the System under Plan A for the years ending December 31, 2014, 2013, and 2012, were \$56,876, \$71,016, and \$52,942, respectively, equal to the required contributions for each year.

**5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The District Attorney's office does not pay retirees group insurance upon retirement.

**6. CHANGES IN AGENCY FUND BALANCES**

A summary of changes in unsettled deposits due to others for the year ended December 31, 2014, follows:

Balance, January 1, 2014	\$9,219
Additions	22,434
Reductions	<u>(6,171)</u>
Balance, December 31, 2014	<u>\$25,482</u>

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT

Parishes of East Carroll, Madison and Tensas, Louisiana  
Notes to the Financial Statements (Continued)

**7. LITIGATION AND CLAIMS**

At December 31, 2014, the district attorney is not involved in any lawsuits.

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

The accompanying financial statements do not include certain expenditures of the district attorney paid out of the funds of the criminal court, the parish police jury, or directly by the state.

**9. FEDERAL FINANCIAL ASSISTANCE**

For the year ended December 31, 2014, the district attorney participated in the following federal financial assistance programs:

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	PASS-THROUGH GRANTOR'S NUMBER	CFDA NUMBER	EXPENDITURES
<b>UNITED STATES DEPARTMENT HEALTH AND HUMAN SERVICES</b>			
Passed through Louisiana Department of Social Services - Child Enforcement Title IV-D	509089	93.563	<u>\$263,829</u>
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Combination Prosecution	2011-JF-FX- 0028	16.540	<u>2,552</u>
Total Louisiana Commission on Law Enforcement			<u>2,552</u>
Total Federal Financial Assistance			<u><u>\$266,381</u></u>

***Required Supplemental Information (Part II)***

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues:			
Federal grants	\$2,552	\$2,552	
State grants	30,000	30,000	
Charges for fines & forfeitures	636,152	648,545	\$12,393
Use of money - interest	36	36	
Other revenues	<u>11,460</u>	<u>28,951</u>	<u>17,491</u>
Total revenues	<u>680,200</u>	<u>710,084</u>	<u>29,884</u>
<b>Expenditures</b>			
Current:			
Judicial:			
Personal services and related benefits	640,932	641,714	(782)
Operating services	85,443	98,039	(12,596)
Materials and supplies	57,172	71,595	(14,423)
Travel and other charges	54,174	13,374	40,800
Capital outlay	<u>34,134</u>	<u>15,053</u>	<u>19,081</u>
Total expenditures	<u>871,855</u>	<u>839,775</u>	<u>32,080</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(191,655)</u>	<u>(129,691)</u>	<u>61,964</u>
<b>Fund Balance - Beginning</b>	<u>238,187</u>	<u>238,187</u>	
<b>Fund Balance - Ending</b>	<u><u>\$46,532</u></u>	<u><u>\$108,496</u></u>	<u><u>\$61,964</u></u>

(Continued)

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Budgetary Comparison Schedule  
IV-D Fund  
For the Year Ended December 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues - Federal	\$263,829	\$263,829	
Use of money - interest		120	\$120
Other revenues		5,985	5,985
<b>Total revenues</b>	<u>263,829</u>	<u>269,934</u>	<u>6,105</u>
<b>Expenditures</b>			
Current:			
Judicial:			
Personal services and related benefits	233,969	233,969	
Operating services	22,116	22,116	
Materials and supplies	6,846	6,846	
Travel and other charges	1,952	1,952	
<b>Total expenditures</b>	<u>264,883</u>	<u>264,883</u>	<u>NONE</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(1,054)</u>	<u>5,051</u>	<u>6,105</u>
<b>Fund Balance - Beginning</b>	<u>90,421</u>	<u>90,421</u>	<u>NONE</u>
<b>Fund Balance - Ending</b>	<u><u>\$89,367</u></u>	<u><u>\$95,472</u></u>	<u><u>\$6,105</u></u>

(Concluded)

**District Attorney for the 6<sup>th</sup> Judicial District  
Parishes of East Carroll, Madison and Tensas, Louisiana**

**Required Supplementary Information  
Budgetary Comparison Schedules for Major Funds  
For the Year Ended December 31, 2014**

The proposed budget, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district attorney and amended during the year, as necessary. The budget is established and controlled by the district attorney at the object level of expenditure. The district attorney does not utilize encumbrance accounting. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the district attorney.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts.

DISTRICT ATTORNEY  
OF THE SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and  
Tensas, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2014

## JAMES PAXTON, DISTRICT ATTORNEY

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$117,356
Benefits-retirement	9,829
Auto Allowance	3,200
Travel - mileage reimbursement	4,897
Registration fees	250
Professional fees	123
Total	<u>\$135,655</u>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART III**

**Independent Auditor's Report Required**  
by *Government Auditing Standards*

The following independent auditor's report on compliance with laws, regulations, contracts and internal control is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditors Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance *Government Auditing Standards***

HONORABLE JAMES PAXTON  
DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District Attorney of the Sixth Judicial District, a component unit of the East Carroll, Madison and Tensas Parish Police Juries, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the District Attorney of the Sixth Judicial District's basic financial statements, and have issued my report thereon dated June 19, 2015.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered District Attorney of the Sixth Judicial District's internal control over financial reporting 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 of the Sixth Judicial District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Sixth Judicial District's internal control.

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

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2014

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 identify one deficiency in internal control that I consider to be a material weaknesses, and is included as finding 2014-001 in the accompanying schedule of findings and questioned costs. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether District Attorney of the Sixth Judicial District's financial statements are free of 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 two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is included as findings 2014-02 and 2014-003 in the accompanying schedule of findings and questioned costs.

**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 District Attorney of the Sixth Judicial District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Sixth Judicial District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana  
June 19, 2015

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of District Attorney of the Sixth Judicial District.
2. Two instances of noncompliance material to the financial statements of District Attorney of the Sixth Judicial District was disclosed during the audit.
3. One significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**Finding 2014-001 Lack of Segregation of Duties**

**Finding:** When testing internal controls it was noted that there is little segregation of duties at the District Attorney's office. One employee is responsible for receiving all checks, completing the deposit slips, taking the checks to the bank, and entering the cash receipts into the system. Also, this same employee is responsible for receiving the invoices, running the checks, signing the checks, and sending them to vendors. This same employee also reconciles the bank account.

**Recommendation:** Procedures should be established to ensure that there is adequate segregation of duties for all significant control functions.

**Finding 2014-002 Need to Comply with Louisiana Local Government Budget Act**

**Finding:** The district attorney's office did not comply with the Local Government Budget Act. LSA-R.S. 39:1310-1311 requires, among other things, that the political subdivisions with proposed expenditures greater than five hundred thousand dollars shall afford the public an opportunity to participate in the budgetary process. The district attorney's office did not advertise for a public hearing or budget adoption.

**Recommendation:** I recommend that the district attorney comply with all the requirements of the Louisiana Local Government Budget Act.

(continued)

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014

**Finding 2014-003    Need to Comply with Pension Guidelines**

**Finding:** The Parochial Retirement System requires all employees that work a minimum of 28 hours per week be included in the pension system. The district attorney has an employee which meets the pension requirements and is not included in the pension system.

**Recommendation:** I recommend that the district attorney's office review all employees for proper classification under pension requirements or social security.

(concluded)

DISTRICT ATTORNEY OF THE  
SIXTH JUDICIAL DISTRICT  
Parishes of East Carroll, Madison and Tensas, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2014

**Finding 2013-001 Lack of Segregation of Duties**

**Finding:** When testing internal controls it was noted that there is little segregation of duties at the District Attorney's office. One employee is responsible for receiving all checks, completing the deposit slips, taking the checks to the bank, and entering the cash receipts into the system. Also, this same employee is responsible for receiving the invoices, running the checks, signing the checks, and sending them to vendors. This same employee also reconciles the bank account.

**Recommendation:** Procedures should be established to ensure that there is adequate segregation of duties for all significant control functions.

**Status:** This finding was repeated in Finding 2014-001.

**Finding 2013-002 Local Government Budget Act**

**Finding:** According to R.S. 1311 "When an independently elected parish official has received notification pursuant to R.S. 39:1311(A), or when there has been a change in operations upon which the original adopted budget was developed, the independently elected official shall adopt a budget amendment and publish such amendment in the official journal as described by R.S. 39:1307(B)."

**Recommendation:** The budget to actual should be monitored on a monthly basis and the budget should be amended when necessary to comply with R.S. 39:1311.

**Status:** This finding was repeated in Finding 2014-002.

# JAMES E. PAXTON



**DISTRICT ATTORNEY**  
SIXTH JUDICIAL DISTRICT  
EAST CARROLL, MADISON & TENSAS PARISHES

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FIRST ASSISTANT

**VICKI V. BAKER**  
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**KENNETH A. "ANDY" BRISTER**  
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LAKE PROVIDENCE, LA 71254  
PHONE: 318-559-6340  
FAX: 318-559-6343

June 19, 2015

Louisiana Legislative Auditor  
Daryl G. Purpera

Dear Mr. Purpera:

First finding 2014-001-Lack of segregation of duties:

The District Attorney's Office is working on improving this issue but basically at this point in time it is not financially feasible for the office to hire additional personnel.

Finding 2014-002 Need to Comply with Louisiana Local Government Budget Act:

It was never brought to the District Attorney's attention that the budget be advertised or adopted prior to the beginning of the audit period. In the future the District Attorney's Office will comply with all of the requirements of the Budget Act.

Finding 2014-003-Need to Comply with Pension Guidelines:

The District Attorney's Office was not aware that all fulltime employees must participate in the retirement system. The District Attorney's office is in the process of including all qualified employees in the retirement system.

Sincerely,

A handwritten signature in blue ink that reads "James E. Paxton".

James E. Paxton