

**DISTRICT ATTORNEY OF THE
FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana**

Financial Report

Year Ended December 31, 2016

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scroggins, CPA
Christine C. Doucet, CPA
Wanda F. Arceament, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA
Alan M. Taylor, CPA
Albert R. Leger, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®*
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Deicambre, Jr., CPA
Jane R. Hebert, CPA
Deidre L. Stock, CPA
Karen V. Fontenot, CPA
Tabby A. LeMay, CPA
Seth C. Norris, CPA
Shayne M. Breaux, CPA

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2667

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRPCAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

INDEPENDENT AUDITORS' REPORT

The Honorable Keith Stutes
District Attorney of the Fifteenth Judicial District
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fifteenth Judicial District (District Attorney), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information and the schedules of employer's share of net pension liability and employer contributions on pages 33-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2017, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 10, 2017

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Statement of Net Position
December 31, 2016

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 1,992,038
Receivables	257,221
Prepaid items	11,485
Capital assets, net	<u>8,737</u>
Total assets	<u>2,269,481</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of resources - pension	<u>478,342</u>
LIABILITIES	
Accounts and other payables	166,808
Net pension liability	<u>339,915</u>
Total liabilities	<u>506,723</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of resources - pension	<u>54,406</u>
NET POSITION	
Net investment in capital assets	8,737
Restricted for child support programs	121,912
Unrestricted	<u>2,056,045</u>
Total net position	<u>\$ 2,186,694</u>

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Statement of Activities
For the Year Ended December 31, 2016

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
General government -				
Judicial	<u>\$ 6,128,764</u>	<u>\$ 1,615,895</u>	<u>\$ 5,004,725</u>	<u>\$ 491,856</u>
	General revenues:			
				56,488
				8,995
				<u>16,326</u>
				<u>81,809</u>
				573,665
				<u>1,613,029</u>
				<u>\$ 2,186,694</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Title IV-D Fund

To account for 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 comparable 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.

Pre-Trial Diversion

To account for enrollment fees collected from participants in the Pre-Trial Diversion Program, authorized by Act 1170 of 1995.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Balance Sheet
Governmental Funds
December 31, 2016

	General	Title IV-D	Pre-Trial	Total
ASSETS				
Cash and interest-bearing deposits	\$ 868,785	\$ 490,796	\$ 632,457	\$ 1,992,038
Receivables:				
Commissions on fines and forfeitures	174,268	-	-	174,268
Fees	-	-	70,442	70,442
Grants	-	11,802	-	11,802
Due from other funds	254,509	-	39,977	294,486
Interest	684	25	-	709
Prepaid items	9,333	2,152	-	11,485
Total assets	<u>\$ 1,307,579</u>	<u>\$ 504,775</u>	<u>\$ 742,876</u>	<u>\$ 2,555,230</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,460	\$ -	\$ -	\$ 10,460
Accrued liabilities	28,358	126,202	1,788	156,348
Due to other funds	39,977	254,509	-	294,486
Total liabilities	<u>78,795</u>	<u>380,711</u>	<u>1,788</u>	<u>461,294</u>
Fund balances:				
Nonspendable	9,333	2,152	-	11,485
Restricted for child support programs	-	121,912	-	121,912
Committed for judicial operations	-	-	741,088	741,088
Unassigned	1,219,451	-	-	1,219,451
Total fund balances	<u>1,228,784</u>	<u>124,064</u>	<u>741,088</u>	<u>2,093,936</u>
Total liabilities and fund balances	<u>\$ 1,307,579</u>	<u>\$ 504,775</u>	<u>\$ 742,876</u>	<u>\$ 2,555,230</u>

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2016

Total fund balances for governmental funds at December 31, 2016		\$ 2,093,936
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, net of \$159,575 accumulated depreciation	\$ 5,104	
Furniture and fixtures, net of \$13,798 accumulated depreciation	<u>3,633</u>	8,737
Deferred outflows of expenditures are not a use of current resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources- pension		478,342
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Long-term liabilities at December 31, 2016 consist of:		
Net pension liability		(339,915)
The deferred inflows of contributions for the employees' retirement systems are not available resources and, therefore, are not reported in the governmental funds.		
		<u>(54,406)</u>
Total net position of governmental activities at December 31, 2016		<u>\$ 2,186,694</u>

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2016

	General	Title IV-D	Pre-Trial Diversion	Total
Revenues:				
Fees, services, and commissions	\$ 934,576	\$ -	\$681,319	\$1,615,895
Intergovernmental revenue-				
Federal and state grants	90,000	723,953	-	813,953
On-behalf payments	4,190,772	-	-	4,190,772
Interest income	55,052	1,436	-	56,488
Other revenues	16,327	-	-	16,327
Total revenues	5,286,727	725,389	681,319	6,693,435
Expenditures:				
Current -				
General government - judicial:				
Personnel services and related benefits	4,489,066	639,318	231,860	5,360,244
Operating services	389,413	76,552	68,047	534,012
Material and supplies	147,157	9,889	19,642	176,688
Travel	45,193	1,599	4,172	50,964
Appropriations	70,000	-	-	70,000
Capital outlay	1,268	-	-	1,268
Total expenditures	5,142,097	727,358	323,721	6,193,176
Excess (deficiency) of revenues over expenditures	144,630	(1,969)	357,598	500,259
Other financing sources (uses):				
Transfers in	265,017	-	-	265,017
Transfers out	-	(265,017)	-	(265,017)
Total other financing sources (uses)	265,017	(265,017)	-	-
Changes in fund balances	409,647	(266,986)	357,598	500,259
Fund balances, beginning	819,137	391,050	383,490	1,593,677
Fund balances, ending	\$1,228,784	\$124,064	\$741,088	\$2,093,936

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016

Total net changes in fund balances for the year ended December 31, 2016 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 500,259
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay costs which are considered as expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 1,268
Depreciation expense		<u>(11,883)</u> (10,615)
Because some revenues are not considered measureable at year-end, they are not considered "available" revenues in the governmental funds.		
Non-employer pension plan contributions		8,995
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense		<u>75,026</u>
Total changes in net position for the year ended December 31, 2016 per Statement of Activities		<u>\$ 573,665</u>

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

	Asset Forfeiture	Bond Forfeiture	Worthless Checks	Total
ASSETS				
Cash and interest-bearing deposits	<u>\$ 552,301</u>	<u>\$ 29,241</u>	<u>\$ 22,679</u>	<u>\$ 604,221</u>
LIABILITIES				
Assets forfeited - pending judicial disposition	\$ 488,105	\$ -	\$ -	\$ 488,105
Bonds forfeited - pending judicial disposition	-	29,241	-	29,241
Due to others	-	-	22,679	22,679
Due to governmental agencies	<u>64,196</u>	<u>-</u>	<u>-</u>	<u>64,196</u>
Total liabilities	<u>\$ 552,301</u>	<u>\$ 29,241</u>	<u>\$ 22,679</u>	<u>\$ 604,221</u>

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Fifteenth Judicial District, Parishes of Acadia, Lafayette, and Vermilion, Louisiana (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 Fifteenth Judicial District encompasses the parishes of Acadia, Lafayette, and Vermilion, Louisiana.

The financial statements of the District Attorney have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are described below.

A. Financial Reporting Entity

These financial statements only include funds, activities, et cetera, that are controlled by the District Attorney as an independently elected parish official. The District Attorney's offices are located in the parish court house, the upkeep and maintenance of the courthouse is paid by the parish government and in addition, the parish government also pays salaries and certain operating expenditures of the District Attorney.

The District Attorney of the Fifteenth Judicial District is a part of the district court system of the State of Louisiana. However, the state statutes that created the District Attorneys also give the District Attorneys control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than salaries and certain operating expenditures of the District Attorney's office that are paid by the Government as required by Louisiana law, the District Attorney is financially independent and operates autonomously from the State of Louisiana and independently from the district court system.

B. Basis of Presentation

The District Attorney's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the District Attorney and the major fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity, which are considered governmental activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District Attorney's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the District Attorney are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the District Attorney are classified as governmental. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered to be major if it is the primary operating fund of the entity or the total assets, liabilities, revenues, or expenditures of that individual governmental fund is at least 10 percent of the corresponding total for all governmental funds combined.

The District Attorney reports the following major governmental funds:

General Fund -

The General Fund is the general operating fund of the District Attorney. It is used to account for all financial resources except those required to be accounted for in another fund.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

Special Revenue Funds -

Pre-Trial Diversion Fund

The Pre-Trial Diversion Fund consists of enrollment fees collected from participants in the Pre-Trial Diversion Program authorized by Act 1170 of 1995.

Title IV-D 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.

In addition, the District Attorney reports the following funds:

Fiduciary (Agency) Funds

Asset Forfeiture Agency Fund

The Asset Forfeiture Fund consists of monies collected in accordance with Louisiana Revised Statute 40:2616. Disbursements from this fund are made to various agencies as prescribed by law. The agency fund is custodial in nature (assets equally liabilities) and does not involve the measurement of results of operations.

Bond Forfeiture Agency Fund

The Bond Forfeiture Fund consists of monies collected in accordance with the Bail Reform Act of 1993 and Louisiana Revised Statute 15:57.11(L). The fund is custodial in nature and does not involve the measurement of results of operations.

Worthless Checks Fund

The Worthless Checks Fund consists of monies collected in accordance with Louisiana Revised Statute 16:15. The fund is custodial in nature and does not involve the measurement of results of operations.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

The District Attorney's fiduciary funds are presented in the fiduciary fund financial statement by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the District Attorney, these funds are not incorporated into the government-wide statements.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District Attorney considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District Attorney's citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District Attorney's general revenues.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and Interest-bearing Deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District Attorney.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grant revenue, incentive payments, and commissions from fines and interest.

Interfund Receivables and Payables

During the course of operations, occasional transactions occur between individual funds that may result in amounts owed between funds. Short-term cash borrowings between funds are considered temporary in nature. These amounts are reported as "due from/to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Prepaid Items

Insurance payments made to insurance agencies that will benefit periods beyond December 31, 2016 are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. 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. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing capital assets.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	3-5 years
Furniture and fixtures	7 years
Vehicles	3 years
Courthouse renovations	10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Vacation and Sick Leave

At December 31, 2016, the District Attorney has no accumulated leave benefits required to be reported.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

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

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position – consists of net position with constraints placed on the 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. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

3. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

1. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District Attorney. The District Attorney is the highest level of decision-making authority for the District Attorney’s office.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District Attorney’s adopted policy, only the District Attorney may assign amounts for specified purposes.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District Attorney considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in his commitment or assignment actions.

E. Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Use of Estimates

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

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 the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2016, the District Attorney had cash and interest-bearing deposits (book balances) totaling \$2,596,259 as follows:

	Primary Government	Fiduciary Funds	Total
Demand deposits	\$ 1,232,685	\$ 604,221	\$ 1,836,906
Certificates of deposit	759,353	-	759,353
Total	\$ 1,992,038	\$ 604,221	\$ 2,596,259

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Attorney's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2016, bank balances in the amount of \$3,124,543 were as follows:

Bank balances	\$ 3,124,543
Federal deposit insurance	1,667,497
Pledged securities	1,457,046
Total	\$ 3,124,543

Deposits in the amount of \$1,457,046 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the District Attorney's name. The District Attorney does not have a policy for custodial credit risk.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Receivables

Receivables in the amount of \$257,221 at December 31, 2016 consisted of the following:

	General Fund	Special Revenue Funds	Total
Other governments	\$174,268	\$ -	\$ 174,268
State of Louisiana	-	11,802	11,802
Program participants	-	70,442	70,442
Interest	684	25	709
	<u>\$174,952</u>	<u>\$ 82,269</u>	<u>\$ 257,221</u>

(4) Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Governmental activities:				
Capital assets being depreciated -				
Equipment	\$ 163,411	\$ 1,268	\$ -	\$ 164,679
Furniture and fixtures	17,431	-	-	17,431
Vehicles	33,637	-	-	33,637
Courthouse renovations	13,055	-	-	13,055
Total capital assets	<u>227,534</u>	<u>1,268</u>	<u>-</u>	<u>228,802</u>
Less accumulated depreciation				
Equipment	155,010	4,565	-	159,575
Furniture and fixtures	12,225	1,573	-	13,798
Vehicles	27,892	5,745	-	33,637
Courthouse renovations	13,055	-	-	13,055
Total accumulated depreciation	<u>208,182</u>	<u>11,883</u>	<u>-</u>	<u>220,065</u>
Governmental activities, capital assets, net	<u>\$ 19,352</u>	<u>\$(10,615)</u>	<u>\$ -</u>	<u>\$ 8,737</u>

Depreciation expense for the year ended December 31, 2016 of \$11,833 was charged to the judiciary function.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
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Notes to the Basic Financial Statements (Continued)

(5) Operating Leases

The Criminal Nonsupport Division leases a copy machine under a five-year lease term, expiring July 31, 2017, requiring monthly payments of \$151. Included in operating expense is \$1,814 relating to this lease for the year ended December 31, 2016.

The Pre-Trial Diversion Fund leases a copy machine under a three-year lease term expiring April 16, 2017, requiring monthly payments of \$226. Included in operating expenses is \$2,716 relating to this lease for the year ended December 31, 2016.

The District Attorney's office leases a postage machine and two copy machines under operating leases expiring on dates ranging from February 28, 2017 to May 31, 2020, requiring monthly payments ranging from \$93 to \$1,244. Included in operating expense is \$8,386 relating to these leases for the year ended December 31, 2016.

Future minimum rentals are as follows:

<u>Year Ending December 31,</u>	
2017	\$ 6,246
2018	2,296
2019	2,296
2020	2,296
	<u>\$ 13,134</u>

(6) Employee Retirement Systems

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

Louisiana District Attorneys' Retirement System

Plan Description: The Louisiana District Attorneys' Retirement System is a cost-sharing defined benefit plan which provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries. The separately issued plan report may be accessed on their website at <http://www.ladars.org/>. The District Attorney's share of the cost of this plan is paid by LCG, and therefore, the pension liabilities, deferred outflows of resources, and deferred inflows of resources related to these plans are included in LCG's financial statements.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

Parochial Employees Retirement System (PERS)

Plan Description: The Parochial Employees Retirement System is a cost-sharing multiple employer defined pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The separately issued plan report may be accessed on the website at <http://www.persla.org/>.

The System's financial statements are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

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

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
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Notes to the Basic Financial Statements (Continued)

Deferred Retirement Option Plan:

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

In lieu of terminating employment and accepting a service retirement, any member of who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

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

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

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

Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2015, the actuarially determined contribution rate was 10.40% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2015 was 13.00%. The employer contributed \$108,395 during the fiscal year ending December 31, 2016.

Net Pension Liability:

At December 31, 2016, the District Attorney reported a liability of \$339,915 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by and 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 determine. At December 31, 2015, the District Attorney's proportion was .129133%.

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Notes to the Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was December 31, 2015, the net pension liability is based upon fiduciary net position for the plan as of those dates. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District Attorney's net pension liability is available in the separately issued financial report for those fiscal years.

Actuarial Assumptions:

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for the defined pension plan in which the District Attorney is a participating employer:

Actuarial cost method	Entry Age Normal Cost
Expected remaining service lives	4 years
Investment rate of return	7.00%, net of investment expense
Inflation rate	2.50%
Projected salary increases	5.25%
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 rates	RP-2000 Employee Mortality Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

Cost of Living Adjustments:

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

Long-term Rate of Return:

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 7.55% for the year ended December 31, 2015.

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Expected Rate of Return</u>	
	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real assets	3%	0.19%
	<u>100%</u>	<u>5.55%</u>
Inflation		<u>2.00%</u>
Expected nominal return		<u>7.55%</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2016, the District Attorney recognized \$33,369 in pension expense related to its participation in PERS.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

At December 31, 2016, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 54,021
Changes of assumptions	75,738	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	385
Net differences between projected and actual earnings on plan investments	311,031	-
Contributions subsequent to the measurement date	91,573	-
Total	\$ 478,342	\$ 54,406

Deferred outflows of resources of \$91,573 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2017	\$ 87,674
2018	87,674
2019	93,002
2020	64,013
	\$ 332,363

Discount Rate:

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rate. 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 total pension liability. The discount rate used to measure PER's net pension liability was 7% for the year ended December 31, 2015.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Net Pension Liability	\$ 851,609	\$ 339,915	\$ (92,529)

At December 31, 2016 the District Attorney's payables were \$778 for the month of December 2016, which was the contractually required contribution.

(7) Expenditures of the District Attorney Not Included in the Accompanying Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the Acadia Parish Police Jury, the Lafayette City-Parish Consolidated Government, or the Vermilion Parish Police Jury.

(8) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at December 31, 2016:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 254,509	\$ 39,977
Title IV-D Special Revenue Fund	-	254,509
Pre-Trial Diversion	<u>39,977</u>	<u>-</u>
	<u>\$ 294,486</u>	<u>\$ 294,486</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. They are expected to be paid within the next fiscal year.

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

B. Interfund Transfers

Transfers consisted of the following for the year ended December 31, 2016:

	Interfund Transfers In	Interfund Transfers Out
Major governmental funds:		
General Fund	\$265,017	\$ -
Title IV-D Fund	-	265,017
	\$265,017	\$265,017

Transfers are used to move unrestricted revenues in various funds to other funds to finance various programs accounted for in other funds.

(9) Risk Management

The District Attorney is exposed to risks of loss in the areas of auto liability, employee dishonesty and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Pending Litigation

The District Attorney is not involved in any material matters of pending or threatened litigation as of December 31, 2016.

(11) On-behalf Payments for Fringe Benefits and Salaries

GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, requires the District Attorney to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana and by the parish governments to certain employees of the District Attorney's office.

Supplemental salary payments are made by the state and parish governments directly to the District Attorney and to the Assistant District Attorneys. The District Attorney's office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. On-behalf payments recorded as revenue and expenditures in the 2016 financial statements are as follows:

General Fund:	
State of Louisiana	\$ 965,127
Acadia Parish Police Jury	542,711
Lafayette City-Parish Consolidated Government	1,935,316
Vermilion Parish Police Jury	747,618
Total on-behalf payments	\$ 4,190,772

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Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to the Basic Financial Statements (Continued)

(12) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Keith Stutes, District Attorney, for the year ended December 31, 2016 follows:

Salary	\$ 97,931	
Benefits - insurance	9,247	
Benefits - retirement	1,632	
Car allowance	7,500	
Per diem	654	
Professional dues	708	
Travel	1,193	
Registration fees	<u>325</u>	
		\$ 119,190
On-behalf payments for salaries and fringe benefits:		
Salaries (as allowed by RS 16:10)	50,000	
Fringe benefits paid by State of Louisiana	<u>875</u>	
		<u>50,875</u>
Total		<u>\$ 170,065</u>

(13) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others is as follows:

	Asset Forfeiture Fund	Bond Forfeiture Fund	Worthless Checks Fund	Total
Balances, December 31, 2015	\$ 631,908	\$ 30,741	\$ 25,650	\$ 688,299
Additions	270,273	143,053	594,940	1,008,266
Reductions	<u>(349,880)</u>	<u>(144,553)</u>	<u>(597,911)</u>	<u>(1,092,344)</u>
Balances, December 31, 2016	<u>\$ 552,301</u>	<u>\$ 29,241</u>	<u>\$ 22,679</u>	<u>\$ 604,221</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
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General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, services, and commissions	\$ 880,779	\$ 925,000	\$ 934,576	\$ 9,576
Intergovernmental revenues -				
Federal grants	90,000	91,118	90,000	(1,118)
On-behalf payments	4,400,000	4,190,772	4,190,772	-
Interest income	12,864	10,500	55,052	44,552
Other revenues	315,597	15	16,327	16,312
Total revenues	<u>5,699,240</u>	<u>5,217,405</u>	<u>5,286,727</u>	<u>69,322</u>
Expenditures:				
Current -				
General government - judicial:				
Personnel services and related benefits	5,275,369	4,485,094	4,489,066	(3,972)
Operating services	278,362	365,000	389,413	(24,413)
Material and supplies	238,065	156,000	147,157	8,843
Travel	66,129	55,000	45,193	9,807
Appropriations	90,000	70,000	70,000	-
Capital outlay	-	-	1,268	(1,268)
Total expenditures	<u>5,947,925</u>	<u>5,131,094</u>	<u>5,142,097</u>	<u>(11,003)</u>
Excess (deficiency) of revenues over expenditures	(248,685)	86,311	144,630	58,319
Other financing sources:				
Transfers in	-	-	265,017	(265,017)
Change in fund balance	(248,685)	86,311	409,647	(206,698)
Fund balance, beginning	<u>819,137</u>	<u>819,137</u>	<u>819,137</u>	<u>-</u>
Fund balance, ending	<u>\$ 570,452</u>	<u>\$ 905,448</u>	<u>\$ 1,228,784</u>	<u>\$ (206,698)</u>

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Title IV-D Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	<u>Budget</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues -				
Federal grants	\$ 483,683	\$ 471,900	\$ 477,809	\$ 5,909
State grants	249,170	243,100	246,144	3,044
Interest income	2,868	1,255	1,436	181
Other revenues	<u>4,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>740,498</u>	<u>716,255</u>	<u>725,389</u>	<u>9,134</u>
Expenditures:				
Current -				
General government - judicial:				
Personnel services and related benefits	639,692	656,000	639,318	16,682
Operating services	84,479	80,000	76,552	3,448
Materials and supplies	22,469	7,500	9,889	(2,389)
Travel	<u>3,828</u>	<u>1,700</u>	<u>1,599</u>	<u>101</u>
Total expenditures	<u>750,468</u>	<u>745,200</u>	<u>727,358</u>	<u>17,842</u>
Deficiency of revenues over expenditures	(9,970)	(28,945)	(1,969)	26,976
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(265,017)</u>	<u>(265,017)</u>
Change in fund balance	(9,970)	(28,945)	(266,986)	(238,041)
Fund balance, beginning	<u>391,050</u>	<u>391,050</u>	<u>391,050</u>	<u>-</u>
Fund balance, ending	<u>\$ 381,080</u>	<u>\$ 362,105</u>	<u>\$ 124,064</u>	<u>\$ (238,041)</u>

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Pre-Trial Diversion Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues-				
Fees, services, and commissions	<u>\$ 575,277</u>	<u>\$ 650,000</u>	<u>\$ 681,319</u>	<u>\$ 31,319</u>
Expenditures:				
Current -				
General government - judicial:				
Personnel services and related benefits	428,624	340,678	231,860	108,818
Operating services	73,172	68,000	68,047	(47)
Material and supplies	36,283	20,000	19,642	358
Travel	<u>3,212</u>	<u>5,500</u>	<u>4,172</u>	<u>1,328</u>
Total expenditures	<u>541,291</u>	<u>434,178</u>	<u>323,721</u>	<u>110,457</u>
Change in fund balance	33,986	215,822	357,598	141,776
Fund balance, beginning	<u>383,490</u>	<u>383,490</u>	<u>383,490</u>	<u>-</u>
Fund balance, ending	<u>\$ 417,476</u>	<u>\$ 599,312</u>	<u>\$ 741,088</u>	<u>\$141,776</u>

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Parochial Employees' Retirement System of Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2016*

Year ended December 31,	Employer Proportion 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
2016	0.129133%	\$ 339,915	\$ 739,214	46.00%	92.23%

* The amounts presented have a measurement date of December 31, 2015.

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Parochial Employees' Retirement System of Louisiana
Schedule of Employer Contributions
For the Year Ended December 31, 2016

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2016	\$ 108,395	\$ 108,395	\$ -	\$ 833,823	13.00%

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

DISTRICT ATTORNEY OF THE FIFTEENTH JUDICIAL DISTRICT
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The accountant prepares a proposed budget and submits it to the District Attorney for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the District Attorney.

(2) Pension Plan - Parochial Employees' Retirement System of Louisiana

Significant changes of benefit assumptions from 2015 to 2016 included a decrease in the discount rate/valuation interest rate from 7.25% to 7.0% and a decrease in the annual salary increase rate from 5.75% to 5.25%.

(3) Excess of Expenditures Over Appropriations

For the year ended December 31, 2016, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
General government	\$ 5,131,094	\$ 5,140,829	\$ (9,735)
Capital outlay	-	1,268	(1,268)

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Penny Angelle Scruggins, CPA
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA
Alan M. Taylor, CPA
Albert R. Lager, CPA, PFS, CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®*
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Jana R. Hebert, CPA
Deldre L. Stock, CPA
Karen V. Fontenot, CPA
Tabby A. LeMay, CPA
Seth C. Norris, CPA
Shayne M. Breaux, CPA

* A Professional Accounting Corporation

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

434 East Main Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4668

1428 Metro Drive
Alexandria, LA 71301
Phone (318) 442-4421
Fax (318) 442-8683

WEB SITE
WWW.KCSRPCAS.COM

Retired:
Conrad O. Chapman, CPA* 2006

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

The Honorable Keith Stutes
District Attorney of the Fifteenth Judicial District
Parishes of Acadia, Lafayette, and Vermilion, Louisiana
Lafayette, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fifteenth Judicial District (District Attorney), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued our report thereon dated April 10, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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

We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2016-001, 2016-002, and 2016-003 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2016-004.

District Attorney's Response to Findings

The District Attorney's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
April 10, 2017

District Attorney of the Fifteenth Judicial District
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended December 31, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/16) --						
<u>Internal Control:</u>						
2016-001	2014	The District Attorney did not have adequate segregation of functions within the accounting system.	No	Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Keith Stutes, District Attorney	N/A
2016-002	2014	The District Attorney does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District Attorney has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Keith Stutes, District Attorney	N/A
2016-003	2016	The District Attorney should develop and implement policies and procedures to ensure that all seized assets received from local law enforcement agencies are accounted for and deposited in accordance with state law.	Yes	The District Attorney has implemented procedures to ensure that all seized assets received are duly accounted for and deposited.	Keith Stutes, District Attorney	4/30/2016
<u>Compliance:</u>						
2016-004	2016	During the fiscal year, Maxine Trahan, a former employee of the Acadia Parish Sheriff, was arrested for misappropriation of seized assets. Ms. Trahan would collect funds on behalf of the arresting agency and deposit them into a cash account belonging to the District Attorney. The seized assets were the fiduciary responsibility of the Acadia Parish Sheriff and the District Attorney, and there was a lack of oversight of her activities by both the Sheriff's office and the District Attorney.	Yes	The District Attorney implemented procedures to ensure that all seized assets received are duly accounted for and deposited.	Keith Stutes, District Attorney	4/30/2016

(continued)

District Attorney of the Fifteenth Judicial District
Parishes of Acadia, Lafayette, and Vermilion, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
For the Year Ended December 31, 2016

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (12/31/15) --</u>						
<u>Internal Control:</u>						
2015-001	2014	The District Attorney did not have adequate segregation of functions within the accounting system.	No	Based on the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Keith Stutes, District Attorney	N/A
2015-002	2014	The District Attorney does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	No	The District Attorney has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Keith Stutes, District Attorney	N/A
<u>Compliance:</u>						
2015-003	2015	The District Attorney had uninsured bank balances in the amount of \$102. LA Revised Statute 39:1218-1229 requires that bank balances be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.	Yes	The District Attorney will implement procedures to monitor the status of bank balances to ensure that all bank balances are properly collateralized.	Keith Stutes, District Attorney	12/31/2015

(continued)