

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
OBERLIN, LOUISIANA  
A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY  
ANNUAL FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2016

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	2 - 4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position – Governmental Activities	6
Statement of Activities – Governmental Activities	7
FUND FINANCIAL STATEMENTS:	
Governmental Funds:	
Balance Sheet	9
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
FIDUCIARY FUNDS:	
Statement of Fiduciary Net Position – Agency Funds	13
NOTES TO THE FINANCIAL STATEMENTS	15 - 40
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule:	
General Fund	42
Probation Fund	43
Intervention Fund	44
Pension Liability	
Schedule of the District Attorney’s Proportionate Share of the Net Parochial Pension Liability	45
Schedule of the District Attorney’s Contributions to Parochial Pension Plan	46
Schedule of the District Attorney’s Proportionate Share of the Net District Attorney Pension Liability	47
Schedule of the District Attorney’s Contributions to District Attorney Pension Plan	48
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	50
INDEPENDENT AUDITOR’S REPORT SECTION:	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52 - 53
Schedule of Findings & Responses	54
Status of Prior Audit Findings	55

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## INDEPENDENT AUDITOR'S REPORT

Honorable Todd Nesom  
District Attorney of the Thirty-Third Judicial District  
Oberlin, Louisiana

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

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the 33<sup>rd</sup> Judicial District, component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District Attorney of the 33<sup>rd</sup> 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting 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.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the 33<sup>rd</sup> Judicial District, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 42 through 44 and the pension liability information on pages 45 through 48 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.

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. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the 33<sup>rd</sup> Judicial District's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is 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 schedule of compensation, benefits, and other payments to agency head or chief executive officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated June 23, 2017, on my consideration of the District Attorney of the 33<sup>rd</sup> 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 33<sup>rd</sup> Judicial District's internal control over financial reporting and compliance.

*Steven M. DeRouen & Associates*

Lake Charles, Louisiana  
June 23, 2017

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
December 31, 2016

ASSETS	GOVERNMENTAL ACTIVITIES
Current assets:	
Cash	\$ 736,683
Investments	23,172
Prepaid expenses	8,978
Receivables:	
Other governments	74,832
Local sources	23,082
Interest	25
TOTAL CURRENT ASSETS	<u>866,772</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	121,697
TOTAL ASSETS	<u>988,469</u>
Deferred outflows:	
Deferred outflows of resources related to pensions	399,443
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>1,387,912</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	76,228
Unearned revenue	25,000
TOTAL CURRENT LIABILITIES	<u>101,228</u>
Long-term liabilities:	
Net pension liability	237,228
TOTAL LIABILITIES	<u>338,456</u>
Deferred inflows:	
Deferred inflows of resources related to pensions	74,321
NET POSITION:	
Net investment in capital assets	121,697
Restricted:	
Oakdale City Court	3,000
S.A.N.E.	1,150
Title IV	24,034
Drug Court	19,553
Victim's Assistance	10,557
Unrestricted	795,144
TOTAL NET POSITION	<u>975,135</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 1,387,912</u></u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2016

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Judicial Activities	\$ 2,026,822	\$ 1,200,681	\$ 854,800	\$ -	\$ 28,659
Total governmental activities	\$ 2,026,822	\$ 1,200,681	\$ 854,800	\$ -	\$ 28,659
GENERAL REVENUES					
					117
					2,018
					6,417
					<u>8,552</u>
					37,211
					937,924
					<u>\$ 975,135</u>

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**Oberlin, Louisiana**  
**Balance Sheet, Governmental Funds**  
**December 31, 2016**

	<b>MAJOR</b>				<b>TOTAL GOVERNMENTAL FUNDS</b>
	<b>GENERAL FUND</b>	<b>WORTHLESS CHECK FUND</b>	<b>PROBATION FUND</b>	<b>INTERVENTION FUND</b>	
<b>ASSETS</b>					
Cash	\$ 618,189	78,704	1,512	38,278	\$ 736,683
Investments	23,172	-	-	-	23,172
Prepaid expenses	8,978	-	-	-	8,978
Receivables	97,939	-	-	-	97,939
<b>TOTAL ASSETS</b>	<b>748,278</b>	<b>78,704</b>	<b>1,512</b>	<b>38,278</b>	<b>866,772</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	76,228	-	-	-	76,228
Unearned revenue	25,000	-	-	-	25,000
<b>Total Liabilities</b>	<b>101,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,228</b>
<b>Fund balances:</b>					
Nonspendable - prepaids	8,978	-	-	-	8,978
<b>Restricted:</b>					
Oakdale City Court	3,000	-	-	-	3,000
S.A.N.E.	1,150	-	-	-	1,150
Title IV	24,034	-	-	-	24,034
Drug Court	19,553	-	-	-	19,553
Victim's Assistance	10,557	-	-	-	10,557
Assigned	-	78,704	1,512	38,278	118,494
Unassigned	579,778	-	-	-	579,778
<b>Total Fund Balances</b>	<b>647,050</b>	<b>78,704</b>	<b>1,512</b>	<b>38,278</b>	<b>765,544</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 748,278</b>	<b>\$ 78,704</b>	<b>\$ 1,512</b>	<b>\$ 38,278</b>	<b>\$ 866,772</b>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
December 31, 2016

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT DECEMBER 31, 2016	\$ 765,544
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.	
Capital assets, net of accumulated depreciation	121,697
Net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(237,228)
Deferred outflows and inflows or resources related to pensions are applicable to Future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	399,443
Deferred inflows of resources related to pensions	<u>(74,321)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES AT DECEMBER 31, 2016	<u>\$ 975,135</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2016

	MAJOR				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	WORTHLESS CHECK FUND	PROBATION FUND	INTERVENTION FUND	
<b>REVENUES</b>					
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 210,026	\$ 75,998	\$ 151,275	\$ 502,573	\$ 939,872
Intergovernmental revenues:					
Louisiana supreme court reimbursements	103,476	-	-	-	103,476
Parish police jury reimbursements	129,940	-	-	-	129,940
Parish school board	50,000	-	-	-	50,000
Federal grants	193,620	-	-	-	193,620
State revenues	30,000	-	-	-	30,000
Interest earnings	44	-	2	71	117
On-behalf payments	237,360	-	-	-	237,360
Other revenues:					
Gaming revenues	110,404	-	-	-	110,404
Worthless checks	-	260,809	-	-	260,809
Forfeitures	2,018	-	-	-	2,018
Miscellaneous	6,396	21	-	-	6,417
<b>TOTAL REVENUES</b>	<b>1,073,284</b>	<b>336,828</b>	<b>151,277</b>	<b>502,644</b>	<b>2,064,033</b>
<b>EXPENDITURES</b>					
Current:					
Auto expenses	8,845	-	-	-	8,845
Bank charges	-	-	-	243	243
Criminal disbursements	3,051	-	-	-	3,051
Drug education	270	-	-	-	270
Dues and subscriptions	2,953	-	-	-	2,953
Insurance	10,428	-	-	-	10,428
Intergovernmental transfers	105,652	21,912	93,411	67,163	288,138
Lace	139,118	-	-	-	139,118
Medical	417	-	-	-	417
Miscellaneous	74	-	442	-	516
Office	24,574	-	-	-	24,574
Postage	3,836	-	-	-	3,836
Public relations	1,468	-	-	-	1,468
Restitution	-	-	-	383	383
Salaries and benefits	1,124,133	-	-	-	1,124,133
Seminars	19,645	-	-	-	19,645
Telephone	5,265	-	-	-	5,265
Travel	2,882	-	-	-	2,882
Uniforms	188	-	-	-	188
Drug court expenditures	73,613	-	-	-	73,613
Worthless check disbursements	-	247,184	-	-	247,184
<b>TOTAL EXPENDITURES</b>	<b>1,526,412</b>	<b>269,096</b>	<b>93,853</b>	<b>67,789</b>	<b>1,957,150</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(453,128)</b>	<b>67,732</b>	<b>57,424</b>	<b>434,855</b>	<b>106,883</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	518,539	-	-	-	518,539
Operating transfers out	-	(46,638)	(57,624)	(414,277)	(518,539)
Total other financing sources (uses)	518,539	(46,638)	(57,624)	(414,277)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>65,411</b>	<b>21,094</b>	<b>(200)</b>	<b>20,578</b>	<b>106,883</b>
<b>FUND BALANCES, BEGINNING</b>	<b>581,639</b>	<b>57,610</b>	<b>1,712</b>	<b>17,700</b>	<b>658,661</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 647,050</b>	<b>\$ 78,704</b>	<b>\$ 1,512</b>	<b>\$ 38,278</b>	<b>\$ 765,544</b>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
 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

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

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS INCREASE (DECREASE)		\$ 106,883
Governmental funds report capital outlays as expenditures, however, in the statement of activities the capitalized cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense:		
Depreciation expense	\$ <u>(20,745)</u>	(20,745)
Certain retirement benefits expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		<u>(48,927)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 37,211</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Statement of Fiduciary Net Position - Agency Funds  
December 31, 2016

	<u>FORFEITURE FUND</u>	<u>TIX FUND</u>	<u>PROBATION DEBT COLLECTION FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	<u>\$ 30,554</u>	<u>\$ 712</u>	<u>\$ 1,212</u>	<u>\$ 32,478</u>
TOTAL ASSETS	<u>\$ 30,554</u>	<u>\$ 712</u>	<u>\$ 1,212</u>	<u>\$ 32,478</u>
LIABILITIES				
Due to other agencies	<u>\$ 30,554</u>	<u>\$ 712</u>	<u>\$ 1,212</u>	<u>\$ 32,478</u>
TOTAL LIABILITIES	<u>\$ 30,554</u>	<u>\$ 712</u>	<u>\$ 1,212</u>	<u>\$ 32,478</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2016

## INTRODUCTION

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. He is also the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury, and 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 parish of Allen, Louisiana. The District Attorney has approximately twenty-eight employees.

## REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the 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 Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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 financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the district attorney was determined to be a component unit of the Allen 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 government unit, or the other governmental units that comprise the financial reporting entity.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the District Attorney of the Thirty-Third Judicial District have been prepared in conformity 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 discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District Attorney of the Thirty-Third Judicial District of Allen Parish. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees and charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Property taxes, reimbursements, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collector. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses), when the underlying event occurs. All other revenue items are considered to be measurable and available only when cash is received by the government. Interfund transfers are made to meet current or anticipated needs.

The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

The major funds are described below:

**General Fund** - The general operating fund of the District Attorney and accounts for all financial resources, except those required to be accounted for in other funds. To account for fines collected and bonds forfeited used to operate the District Attorney's office. Also to account for the State Department of Social Service's grant reimbursement used to fund family and child support enforcement services.

**Special Revenue Funds:**

**Worthless Checks** - To account for the collection and processing of worthless checks. Fees collected vary according to the check amount.

**Intervention** - To account for the pre-trial intervention and diversion programs. The program is offered to selected non-violent offenders as an alternative to prosecution. The revenues for this fund are derived from charges for services to participants.

**Probation** - To account for the probation program. The fund is to account for fines, court costs, and probation fees collected from individuals for the crimes they have committed.

Additionally, the District Attorney's office reports the following fund types:

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. Fiduciary funds include:

**Agency Funds:**

**Forfeiture** – To account for the collection and distribution of seized and forfeited assets.

**Tix** – To account for the collection and distribution of online payments.

**Probation Debt Collection** - To account for the collection and distribution of garnishment of taxpayers' Louisiana income tax refunds for the payment of overdue probation fees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

**C. Budgets**

A budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

In December of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

There was one amendment to the General Fund during the year and the amendment is reflected in the budget comparison. There was one amendment to the Probation Fund and the Intervention Fund during the year and the amendment is reflected in the budget comparison. A budget was not prepared for the Worthless Checks Fund for 2016.

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**E. Investments**

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, which approximates fair value.

**F. Prepaid Items**

The District Attorney records as prepaid assets, expenditures during the current period that will benefit the subsequent period.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., drainage structures, bridges, and similar items), are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District Attorney has established a \$5,000 capitalization threshold.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture, fixtures and equipment	3-10 years
Vehicles	5 years

**H. Compensated Absences**

The District Attorney’s leave policy does not provide for the accumulation and vesting of leave.

**I. Deferred Outflows of Resources and Deferred Inflows of Resources**

In some instances, the GASB requires an entity to delay recognition of decreases in net position/fund balance as expenditures until a future period. In other instances, entities are required to delay recognition of increases in net position/fund balance 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.

**J. Equity Classifications**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- c. Unrestricted net position – All other net position that do 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 of the governmental funds are classified as follows:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and for property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District Attorney (the District Attorney’s highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the District Attorney or by an official or body to which the District Attorney delegates the authority,
5. *Unassigned* fund balance category includes amounts that are available for any purpose and are only reported in the general fund.

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 its commitment or assignment actions.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2016, the District Attorney did not have any committed fund balances.

**K. Estimates**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**L. Interfund Transfers**

Transfers are made into the General Fund from the Special Revenue Funds to assist in the payment of normal operating expenditures.

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the District Attorney, the District Attorney’s office maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District Attorney’s office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District Attorney’s office places no limit on the amount the District Attorney’s office may invest in any one issuer.

At December 31, 2016, the District Attorney has cash and cash equivalents and investments (book balances) totaling \$792,333 as follows:

Interest-bearing demand deposits	\$ 768,760
Investments (CD's)	23,172
Demand deposits	401
Total	<u>\$ 792,333</u>

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. 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 by the pledging financial institution’s trust department or agent, in the District Attorney’s name.

At December 31, 2016, the District Attorney had \$827,305 in deposits (collected bank balances). These deposits are secured from risk by \$349,691 of federal deposit insurance and \$674,039 of pledged securities held by the pledging financial institution’s trust department or agent, in the District’s name.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**NOTE 3 - RECEIVABLES**

The following is a summary of receivables at December 31, 2016:

<u>Class of Receivable</u>	<u>General Fund</u>
Federal grant	\$ 34,591
Fines and reimbursements	40,241
Interest	25
Coushatta Tribe community grant	23,082
Total	<u>\$ 97,939</u>

Most of the District Attorney's receivables are from other governments. The District Attorney believes any uncollectible receivables, if any, would be immaterial to the financial statements.

**NOTE 4 - CHANGES IN CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ending December 31, 2016:

	<u>Building Improvements</u>	<u>Furniture, Fixtures &amp; Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Capital assets being depreciated				
Cost at December 31, 2015	\$ 120,697	\$ 81,838	\$ 72,957	\$ 275,492
Additions	-	-	-	-
Deletions	-	-	-	-
Cost at December 31, 2016	<u>120,697</u>	<u>81,838</u>	<u>72,957</u>	<u>275,492</u>
Depreciation:				
Accumulated depreciation - December 31, 2015	(36,251)	(78,943)	(17,856)	(133,050)
Additions	(3,259)	(2,895)	(14,591)	(20,745)
Deletions	-	-	-	-
Accumulated depreciation - December 31, 2016	<u>(39,510)</u>	<u>(81,838)</u>	<u>(32,447)</u>	<u>(153,795)</u>
Capital assets, net of accumulated depreciation at December 31, 2016	<u>\$ 81,187</u>	<u>\$ -</u>	<u>\$ 40,510</u>	<u>\$ 121,697</u>

Depreciation expense of \$20,745 was charged to judicial activities for the year 2016.

**NOTE 5 – INTERFUND RECIEVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund transfers for the year ending December 31, 2016 is as follows:

Interfund Transfers:

From	To	Amount
Intervention Fund	General Fund	\$ 414,277
Probation Fund	General Fund	57,624
Worthless Checks Fund	General Fund	46,638
Total		<u>\$ 518,539</u>

The District Attorney’s office makes routine transfers between funds to pay routine expenses that occur during the year.

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN**

**Plan Description**

The Parochial Employees' Retirement System of Louisiana (System) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was originally established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana.

The System provides retirement benefits to employees of any parish within the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The District Attorney is a participating member of Plan A.

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

**Eligibility Requirements**

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

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



**NOTE 6 - PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Retirement Benefits**

Any member of Plan A 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.

Any member of Plan B can retire providing he/she meets one of the following criteria:  
For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. 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 of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

**Survivor Benefits**

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

**NOTE 6 - PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

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

**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 Plan A or B 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.

**NOTE 6 - PAROCHIAL EMPLOYEE'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Disability Benefits**

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

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

**Cost of Living Increases**

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.

**Employer 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 for Plan A and 6.91% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2015 was 14.5% for Plan A and 9.00% for Plan B. The actual rate for December 31, 2016 was 13.0% for Plan A and 9.00% for Plan B.

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member’s compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

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

At December 31, 2016, the District Attorney reported a liability of \$159,725 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 on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on the employer’s projected contribution effort to the plan. The employers’ contribution effort was actuarially determined by the System’s actuary.

For the year ended December 31, 2016, the District Attorney recognized pension expense of \$68,847. At December 31, 2016, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience and assumptions	\$ -	\$ 25,915
Net difference between projected and actual earnings on pension plan investments and changes in assumptions and proportionate share of contributions	176,967	
District Attorney contributions made subsequent to the measurement date	48,413	
Total	\$ 225,380	\$ 25,915

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The District Attorney’s contributions during the year ended December 31, 2016, reported as deferred outflows, of \$48,413 subsequent to the measurement date will be recognized as 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	\$ 41,049
2018	43,648
2019	30,080
2020	36,275

**Actuarial Methods and Assumptions**

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2015 are as follows:

Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal Actuarial
Assumptions:	
Investment Rate of Return	7.00%, net of investment expense Projected Salary
Increases	5.25% (2.5% Inflation, 2.75% Merit)
Mortality Rates	RP-2000 Employee Table for active members RP-2000 Healthy Annuitant Table for healthy annuitants RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected Remaining Service Lives	4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The discount rate used to measure the total pension liability was 7.00%. 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 rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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>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%
Totals	<u>100%</u>	<u>5.55%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Normal Return		<u>7.55%</u>

**NOTE 6 - PAROCHIAL EMPLOYEE’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and 3 years for females was used.

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00)% or one percentage point higher (8.00)% than the current rate.

<b>Changes in Discount Rate</b>			
	1%	Current Discount	1%
	Decrease	Rate	Increase
	6.00%	7.00%	8.00%
Net Pension Liability (Asset)	\$400,168	\$159,725	\$(43,479)

**Retirement System Audit Report**

The Parochial Employees’ Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended December 31, 2015. Access to the report can be found on the Louisiana Legislative Auditor’s website, [www.la.la.gov](http://www.la.la.gov).

**NOTE 7 - DISTRICT ATTORNEY’S RETIREMENT SYSTEM PENSION PLAN**

**Plan Description**

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

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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

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

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

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



**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

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

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

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

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

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

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

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

**Employer Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2016, the actual employer contribution rate was 7.00%.

**Non-Employer Contributions**

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2016 and excluded from pension expense.

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Actuarial Methods and Assumptions**

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 are as follows:

Valuation Date	June 30, 2016 Actuarial Cost
Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense Projected
Salary Increases	<u>5.50% (2.50% Inflation, 3.00% Merit)</u>
Mortality Rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disable annuitants. Setbacks in these tables were used to approximate mortality improvement.
Expected Remaining	
Service Lives	7 years
Cost of Living Adjustments	Only those previously granted

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

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 9.04% for the year ended June 30, 2016.

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2016 were as follows:

<u>Asset Class</u>	Long-Term Target Asset <u>Allocation</u>	Expected Portfolio <u>Real Rate of Return</u>
Equities	57.70%	3.56%
Fixed Income	33.00%	2.26%
Alternatives	4.8%	0.50%
Real Estate	<u>4.50%</u>	<u>0.02%</u>
Totals	<u>100.00%</u>	6.34%
Inflation		<u>2.70%</u>
Expected Real Rate of Return		<u>9.04%</u>

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 7 - DISTRICT ATTORNEY'S RETIREMENT SYSTEM PENSION PLAN (Continued)**

**Sensitivity to Changes in Discount Rate**

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	Changes in Discount Rate		
	2016		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability/ (Asset)	<u>\$ 8,608</u>	<u>\$77,503</u>	<u>\$35,057</u>

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

At December 31, 2016, the District Attorney reported a liability of \$77,503 for its proportionate share of the net pension liability of the District Attorneys' Retirement System. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's projected contribution effort to the plan. The employer's contribution effort was actuarially determined by the System's actuary.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**NOTE 7 - DISTRICT ATTORNEY’S RETIREMENT SYSTEM PENSION PLAN (Continued)**

For the year ended December 31, 2016, the District Attorney recognized pension expense of \$33,360, for the District Attorneys’ Retirement plan. At December 31, 2016, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience and assumptions	\$ -	\$ 48,406
Differences due to changes in assumptions and proportionate share of contributions and actual contributions	169,196	
District Attorney contributions made subsequent to the measurement date	4,867	
<b>Total</b>	<b>\$ 174,063</b>	<b>\$ 48,406</b>

The District Attorney’s contributions to the District Attorneys’ Retirement plan during the year ended December 31, 2016, reported as deferred outflows, of \$4,867 will be recognized as a reduction of 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:	
2016	\$ 2,489
2017	2,489
2018	24,062
2019	91,750

**Retirement System Audit Report**

The District Attorneys’ Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor’s website, [www.la.la.gov](http://www.la.la.gov).

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**NOTE 8 - RISK MANAGEMENT**

The District Attorney is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District Attorney did not reduce insurance coverage during 2016.

**NOTE 9 - 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 criminal court, the Allen Parish Police Jury, or directly by the state. The Allen Parish Police Jury pays certain salaries and employer contributions of District Attorney personnel.

**NOTE 10 – CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Agency funds:				
Forfeiture Fund	\$ 35,517	\$ 5,861	\$ 10,824	\$ 30,554
Tix Fund	3,003	367,139	369,430	712
Probation Debt Collection Fund	54	8,855	7,697	1,212
Total Agency funds	<u>\$ 38,574</u>	<u>\$ 381,855</u>	<u>\$ 387,951</u>	<u>\$ 32,478</u>

**NOTE 11 – COMMUNITY GRANT AGREEMENT-COUSHATTA TRIBE OF LOUISIANA**

The District Attorney received \$110,404 from Coshatta Casino Resort for the year ending December 31, 2016. This revenue was deposited directly into the General Fund and was not transferred out to any other funds during the year. The District Attorney used the gaming revenue to assist with the prosecution of crimes occurring on the tribal lands and the crimes that were reasonably connected with activity occurring at the tribal-owned casino resort in Kinder, Louisiana.

**NOTE 12 – UNEARNED REVENUE**

The Allen Parish District Attorney received \$50,000 in 2016 from the Allen Parish School Board for a truancy program for the fiscal school year 2016-2017. Only half of that revenue had been earned as of December 31, 2016. The portion that had not been earned as of December 31, 2016 was recorded as unearned revenue in the General Fund.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**NOTE 13 – DEFERRED COMPENSATION PLAN**

The District Attorney's office offers its employees participation in the State of Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457 (a defined contribution plan). The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all full-time District Attorney employees after six months of employment, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship. The maximum employee contribution limit is \$18,000 for all employees under the age of 50 and \$24,000 for any employee who is 50 years old or older. The maximum employer limit is \$5,000 each year. The employee contributions for 2016 was \$48,465 and the employer contribution for 2016 was \$37,011.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, P.O. Box 94397 Baton Rouge, Louisiana 70804-9397.

**NOTE 14 – 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.

Supplementary salary payments are made by the state 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 revenue and expenditure payments is the actual contributions made by the state. On-behalf payments for salaries from the State of Louisiana in the amount of \$230,000 were recorded in the general fund as revenues and expenditures.



DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Notes to the Financial Statements (Continued)

**NOTE 14 – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES (Continued)**

On-behalf payments for related payroll taxes from the State of Louisiana in the amount of \$3,335 were recorded in the general fund as revenues and expenditures.

On-behalf payments also include pension payments made on behalf of the District Attorney and Assistant District Attorneys. The payments are made to the Louisiana District Attorney’s Retirement System as described in Note 7 above. The District Attorney’s office is not legally responsible for these payments. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state. On-behalf payments for pension expense from the State of Louisiana in the amount of \$4,025 were recorded in the general fund as revenues and expenditures.

**NOTE 15 – LONG-TERM LIABILITIES**

	Beginning of Year	Additions	Reductions	End of Year	Amounts Due Within One Year
Net Pension Liability	\$ 35,900	\$ 201,328	\$ -0 -	\$ 237,228	\$ -0-

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2016

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines, forfeitures and other costs	\$ 158,500	\$ 210,225	\$ 210,026	\$ (199)
Intergovernmental revenues:				
Louisiana supreme court reimbursements	44,000	88,100	103,476	15,376
Parish police jury grants	90,972	90,972	129,940	38,968
Parish school board	50,000	50,000	50,000	-
Federal grants	200,000	183,750	193,620	9,870
State revenues	30,000	27,500	30,000	2,500
Interest earnings	50	30	44	14
On-behalf payments	267,300	267,300	237,360	(29,940)
Other revenues:				
Gaming revenues	75,000	87,300	110,404	23,104
Forfeitures	3,000	2,000	2,018	18
Miscellaneous	25,900	47,400	6,396	(41,004)
TOTAL REVENUES	944,722	1,054,577	1,073,284	18,707
EXPENDITURES				
Current:				
Auto expenses	20,000	8,700	8,845	(145)
Contract labor	500	-	-	-
Criminal disbursements	3,000	3,050	3,051	(1)
Drug education	4,500	1,180	270	910
Dues and subscriptions	3,000	2,700	2,953	(253)
Insurance	8,000	18,200	10,428	7,772
Intergovernmental transfers	44,000	100,110	105,652	(5,542)
Lace	48,000	134,750	139,118	(4,368)
Medical	700	420	417	3
Miscellaneous	300	9,020	74	8,946
Office	15,000	23,400	24,574	(1,174)
Postage	4,000	3,800	3,836	(36)
Public relations	2,000	850	1,468	(618)
Repairs	-	5	-	5
Salaries and benefits	1,067,300	1,147,000	1,124,133	22,867
Seminars	20,000	20,400	19,645	755
Telephone	6,000	5,300	5,265	35
Travel	3,500	2,900	2,882	18
Uniforms	1,500	200	188	12
Drug court expenditures	-	61,600	73,613	(12,013)
Capital outlay	5,000	-	-	-
TOTAL EXPENDITURES	1,256,300	1,543,585	1,526,412	17,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(311,578)	(489,008)	(453,128)	35,880
OTHER FINANCING SOURCES (USES)				
Operating transfers in	430,000	518,585	518,539	(46)
Total other financing sources (uses)	430,000	518,585	518,539	(46)
NET CHANGE IN FUND BALANCE	118,422	29,577	65,411	35,834
FUND BALANCE, BEGINNING	568,935	556,937	581,639	24,702
FUND BALANCE, ENDING	\$ 687,357	\$ 586,514	\$ 647,050	\$ 60,536

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2016.

All of the expenditures listed were amended more than 10%: Auto, contract labor, drug education, dues and subscriptions, insurance, intergovernmental transfers, LACE, medical, miscellaneous, office, public relations, repairs, telephone, travel, uniforms, Drug court expenditures and capital outlay.

The following revenues were amended by more than 10%: Commissions on fines, reimbursements & other costs, Louisiana supreme cort reimbursements interest earnings, gaming revenues, forfeitures and miscellaneous.

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
PROBATION FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2016

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines and other costs	\$ 146,320	\$ 159,121	\$ 151,275	\$ (7,846)
Interest earnings	3	2	2	-
TOTAL REVENUES	<u>146,323</u>	<u>159,123</u>	<u>151,277</u>	<u>(7,846)</u>
EXPENDITURES				
Bank charges	60	-	-	-
Intergovernmental transfers	70,520	93,814	93,411	403
Miscellaneous	1,000	8,220	442	7,778
TOTAL EXPENDITURES	<u>71,580</u>	<u>102,034</u>	<u>93,853</u>	<u>8,181</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>74,743</u>	<u>57,089</u>	<u>57,424</u>	<u>335</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(74,300)	(57,305)	(57,624)	(319)
Total other financing sources (uses)	<u>(74,300)</u>	<u>(57,305)</u>	<u>(57,624)</u>	<u>(319)</u>
NET CHANGE IN FUND BALANCE	<u>443</u>	<u>(216)</u>	<u>(200)</u>	<u>16</u>
FUND BALANCE, BEGINNING	<u>1,793</u>	<u>2,629</u>	<u>1,712</u>	<u>(917)</u>
FUND BALANCE, ENDING	<u>\$ 2,236</u>	<u>\$ 2,413</u>	<u>\$ 1,512</u>	<u>\$ (901)</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2016. Bank charges, intergovernmental transfers, miscellaneous and transfers were amended by more than 10%.

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
INTERVENTION FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2016

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines and other costs	\$ 340,600	\$ 504,050	\$ 502,573	\$ (1,477)
Interest earnings	50	60	71	11
TOTAL REVENUES	<u>340,650</u>	<u>504,110</u>	<u>502,644</u>	<u>(1,466)</u>
EXPENDITURES				
Bank charges	150	190	243	(53)
Intergovernmental transfers	72,000	67,495	67,163	332
Restitution	5,000	380	383	(3)
TOTAL EXPENDITURES	<u>77,150</u>	<u>68,065</u>	<u>67,789</u>	<u>276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>263,500</u>	<u>436,045</u>	<u>434,855</u>	<u>(1,190)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(263,600)	(415,365)	(414,277)	1,088
Total other financing sources (uses)	<u>(263,600)</u>	<u>(415,365)</u>	<u>(414,277)</u>	<u>1,088</u>
NET CHANGE IN FUND BALANCE	<u>(100)</u>	<u>20,680</u>	<u>20,578</u>	<u>(102)</u>
FUND BALANCE, BEGINNING	<u>2,619</u>	<u>22,319</u>	<u>17,700</u>	<u>(4,619)</u>
FUND BALANCE, ENDING	<u>\$ 2,519</u>	<u>\$ 42,999</u>	<u>\$ 38,278</u>	<u>\$ (4,721)</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2016. Commissions, interest, bank charges, restitution and transfers were amended more than 10%.

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District Attorney's proportion of the net pension liability	0.061%	0.059%	0.067%
District Attorney's proportionate share of the net pension liability	\$ 159,725	\$ 16,065	\$ 4,766
District Attorney's covered-employee payroll	\$ 372,408	\$ 347,910	\$ 342,425
District Attorney's proportionate share of the net pension liability as a percentage of its covered-employee payroll	42.9%	4.6%	1.4%
Plan fiduciary net position as a percentage of the total pension liability	92.23%	99.14%	99.48%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

**Parochial Employees' Retirement System of Louisiana**  
**Schedule of the District Attorney's Contributions**  
**For The Year Ended December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 48,413	\$ 50,447	\$ 54,788
Contributions in relation to the contractually required contribution	\$ 48,413	\$ 50,447	\$ 54,788
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District Attorney's covered-employee payroll	\$ 372,408	\$ 347,910	\$ 342,425
Contributions as a percentage of covered-employee payroll	13.0%	14.5%	16.0%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT**  
**A Component Unit of the Allen Parish Police Jury**

**District Attorneys' Retirement System of Louisiana**  
**Schedule of the District Attorney's Proportionate Share of the Net Pension Liability**  
**For The Year Ended December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District Attorney's proportion of the net pension liability	0.405%	0.073%	0.067%
District Attorney's proportionate share of the net pension liability	\$ 77,503	\$ 19,835	\$ 4,766
District Attorney's covered-employee payroll	\$ 280,037	\$ 211,960	\$ 342,425
District Attorney's proportionate share of the net pension liability as a percentage of its covered-employee payroll	27.7%	9.4%	1.4%
Plan fiduciary net position as a percentage of the total pension liability	99.14%	99.14%	99.48%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.



**DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
A Component Unit of the Allen Parish Police Jury**

**District Attorneys' Retirement System of Louisiana  
Schedule of the District Attorney's Contributions  
For The Year Ended December 31, 2016**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,867	\$ 11,128	\$ 17,709
Contributions in relation to the contractually required contribution	\$ 4,867	\$ 11,128	\$ 17,709
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District Attorney's covered-employee payroll	\$ 280,037	\$ 211,960	\$ 211,451
Contributions as a percentage of covered-employee payroll	1.738%	5.250%	8.375%

The schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

The notes to financial statements are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
or Chief Executive Officer  
For the Year Ended December 31, 2016

**Agency Head Name:** Todd Nesom

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 180,000
Benefits-insurance	12,758
Benefits-retirement	13,794
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	302
Conference travel	8,536
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Dues	-

Salary includes \$50,000 of on-behalf payments from State of Louisiana.

Benefits-retirement includes \$4,025 of on-behalf payments from the State of Louisiana.

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION

# STEVEN M. DEROUEN & ASSOCIATES

*Certified Public Accountants*

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Member Louisiana Society of  
Certified Public Accountants

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

Honorable Todd Nesom  
District Attorney of the Thirty-Third Judicial District  
Oberlin, 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 governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the 33rd Judicial District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District Attorney of the 33rd Judicial District's basic financial statements and have issued my report thereon dated June 23, 2017.

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

In planning and performing my audit of the financial statements, I considered the District Attorney of the 33rd Judicial District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the 33rd Judicial District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the 33rd Judicial District's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies. See items 2016-1 and 2016-2.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney of the 33rd Judicial District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District Attorney of the 33rd Judicial District's Response to Findings**

The District Attorney of the 33rd Judicial District's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The District Attorney of the 33rd Judicial District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Steven M. DeRouen & Associates*

Lake Charles, Louisiana  
June 23, 2017

**District Attorney of the Thirty-Third Judicial District  
Schedule of Findings & Responses  
For the Year Ended December 31, 2016**

**2016-1 Segregation of Duties**

Condition:	Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.
Criteria:	Effective internal control requires adequate segregation of duties among client personnel.
Effect:	Without proper segregation of duties, errors within the financial records or fraud could go undetected.
Recommendation:	To the extent cost effective, duties should be segregated and management should attempt to mitigate this significant deficiency in internal control by supervision and review procedures.
Response:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**2016-2 Controls over Financial Reporting**

Condition:	In my judgment, the personnel of the Office of the District Attorney of the Thirty-Third Judicial District do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).
Criteria:	The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Auditing standards emphasizes that the auditor cannot be part of your system of internal control over financial reporting.
Effect:	Misstatements in financial statements could go undetected.
Recommendation:	In my judgment, due to the lack of resources available to management to correct this significant deficiency in internal control in financial reporting, I recommend management mitigate this significant deficiency in internal control by having a heightened awareness of all transactions being reported.
Response:	We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**District Attorney of the Thirty-Third Judicial District  
Status of Prior Audit Findings  
For the Year Ended December 31, 2016**

**2015-1 Segregation of Duties**

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.

**2015-2 Controls over Financial Reporting**

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.

**2015-3 Custodial Credit Risk**

Corrective action taken – Management obtained written evidence documenting the District's bank deposits are adequately collateralized.