

THIRTY-SIXTH JUDICIAL DISTRICT ATTORNEY  
PARISH OF BEAUREGARD  
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

The Honorable James R. Lestage  
Thirty-Sixth Judicial District Attorney  
Parish of Beauregard  
State of Louisiana

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

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Thirty-Sixth Judicial District Attorney 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 management's discussion and analysis, budgetary comparison information, the schedule of the District Attorney's proportionate share of the net pension liability and the schedule of the District Attorney's pension contribution on pages 32 through 37 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Thirty-Sixth Judicial District Attorney's basic financial statements. The combining and individual non-major fund financial statements and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable James R. Lestage  
Thirty-Sixth Judicial District Attorney  
Parish of Beauregard  
State of Louisiana  
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#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, on our consideration of the Thirty-Sixth Judicial District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Thirty-Sixth Judicial District Attorney's internal control over financial reporting and compliance.



DeRidder, Louisiana  
May 31, 2017

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
For the Year Ended December 31, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 424,581
Accounts receivable	32,674
Intergovernmental:	
Federal grants receivable	8,929
State grants receivable	2,293
Restricted assets:	
Cash	84,032
Accounts receivable	150
Due from other governments	23,940
Federal grant receivable	17,418
State grants receivable	20,276
Due from other funds	6,569
Due from other funds	56,258
Capital assets, net	200,215
Total assets	\$ 877,335
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions	\$ 143,740
Total assets and deferred outflows of resources	\$ 1,021,075
LIABILITIES	
Accounts payable	\$ 8,361
Payroll taxes payable	1,485
Retirement payable	8,574
Due to others	20,692
Liabilities payable from restricted assets:	
Due to other funds	62,762
Accounts payable	1,635
Retirement payable	5,194
Long-term debt:	
Due in more than one year	121,244
Total liabilities	\$ 229,947
DEFERRED INFLOWS OF RESOURCES	
Pension contributions	\$ 62,152
Deferred revenue - victim's assistance	2,500
Total deferred inflows of resources	\$ 64,652
Total liabilities and deferred inflows of resources	\$ 294,599
NET POSITION	
Net investment in capital assets	\$ 200,215
Restricted	82,794
Unrestricted	443,467
Total net position	\$ 726,476
Total liabilities, deferred inflows of resources and net position	\$ 1,021,075

The accompanying notes are an integral part of this statement.

Statement of Activities  
For the Year Ended December 31, 2016

Program activities	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	
General government				
Judiciary	\$ 943,281	\$ 530,387	\$ 477,870	\$ 64,976
General revenues:				
				964
				31,051
				34
		Total general revenues		32,049
		Change in net position		97,025
		Net position at beginning of year		629,451
		Net position at end of year		\$ 726,476

The accompanying notes are an integral part of this statement.



Balance Sheet  
 Governmental Funds  
 For the Year Ended December 31, 2016

	Major Funds					Total Governmental Funds
	General	Title IV-D Fund	Truancy Assessment Fund	Drug Court Fund	Other Governmental Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 413,880	\$ -	\$ -	\$ -	\$ 10,701	\$ 424,581
Accounts receivable	32,674	-	-	-	-	32,674
Intergovernmental:						
Federal grants receivable	8,929	-	-	-	-	8,929
State grants receivable	2,293	-	-	-	-	2,293
Restricted assets:						
Cash	-	37,697	30,386	15,949	-	84,032
Accounts receivable	-	-	-	150	-	150
Due from other governments	-	23,940	-	-	-	23,940
Federal grant receivable	-	-	-	17,418	-	17,418
State grant receivable	-	-	20,276	-	-	20,276
Due from other funds	-	6,569	-	-	-	6,569
Due from other funds	56,258	-	-	-	-	56,258
Total assets	<u>\$ 514,034</u>	<u>\$ 68,206</u>	<u>\$ 50,662</u>	<u>\$ 33,517</u>	<u>\$ 10,701</u>	<u>\$ 677,120</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 8,361	\$ -	\$ -	\$ -	\$ -	\$ 8,361
Payroll taxes payable	1,485	-	-	-	-	1,485
Retirement payable	8,574	-	-	-	-	8,574
Due to others	17,602	-	-	-	3,090	20,692
Liabilities payable from restricted assets:						
Accounts payable	-	-	-	1,635	-	1,635
Due to other funds	-	11,058	44,218	7,486	-	62,762
Retirement payable	-	4,688	-	506	-	5,194
Total liabilities	<u>\$ 36,022</u>	<u>\$ 15,746</u>	<u>\$ 44,218</u>	<u>\$ 9,627</u>	<u>\$ 3,090</u>	<u>\$ 108,703</u>

(Continued)

The accompanying notes are an integral part of this statement.

Balance Sheet  
 Governmental Funds  
 For the Year Ended December 31, 2016

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General	Title IV-D Fund	Truancy Assessment Fund	Drug Court Fund		
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - victim's assistance	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Total liabilities and deferred inflows of resources	\$ 38,522	\$ 15,746	\$ 44,218	\$ 9,627	\$ 3,090	\$ 111,203
Fund Balances:						
Restricted	\$ -	\$ 52,460	\$ 6,444	\$ 23,890	\$ -	\$ 82,794
Unassigned	475,512	-	-	-	7,611	483,123
Total fund balances	\$ 475,512	\$ 52,460	\$ 6,444	\$ 23,890	\$ 7,611	\$ 565,917
Total liabilities, deferred inflows of resources and fund balances	\$ 514,034	\$ 68,206	\$ 50,662	\$ 33,517	\$ 10,701	\$ 677,120

(Concluded)

The accompanying notes are an integral part of this statement.

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

Total fund balance - total governmental funds		\$ 565,917
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		200,215
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.		143,740
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.		(62,152)
Net pension liability is not due and payable in the current period and, therefore, not reported in the governmental funds.		
Due within one year	\$ -	\$ -
Due in more than one year	<u>(121,244)</u>	<u>(121,244)</u>
Net position of governmental activities		<u><u>\$ 726,476</u></u>

The accompanying notes are an integral part of this statement.

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

	Major Funds				Other Governmental Funds	Total
	General	Title IV-D Fund	Truancy Assessment Fund	Drug Court Fund		
Revenues						
Intergovernmental:						
Federal grants	\$ 45,348	\$ -	\$ -	\$ 92,694	\$ -	\$ 138,042
State grants	27,504	-	70,968	-	-	98,472
Victim assistance coordinators state grant	32,500	-	-	-	-	32,500
State reimbursement of operating cost	-	100,018	-	-	-	100,018
Local reimbursement of operating cost	108,838	-	-	-	-	108,838
Fees, charges and commissions for services	498,530	-	-	19,744	12,113	530,387
Investment income	861	78	15	-	10	964
Other revenues	34	-	-	-	-	34
Total revenues	<u>\$ 713,615</u>	<u>\$ 100,096</u>	<u>\$ 70,983</u>	<u>\$ 112,438</u>	<u>\$ 12,123</u>	<u>\$ 1,009,255</u>
Expenditures						
Judiciary						
Personal services and related benefits	\$ 354,041	\$ 93,130	\$ 73,056	\$ 37,235	\$ -	\$ 557,462
Travel and professional development	20,015	-	1,028	2,853	121	24,017
Operating services	95,832	127	-	18,672	5,834	120,465
Supplies	13,915	819	655	16,592	987	32,968
Contracted services	122,786	-	-	47,800	-	170,586
Capital outlay	5,242	-	-	-	-	5,242
Total expenditures	<u>\$ 611,831</u>	<u>\$ 94,076</u>	<u>\$ 74,739</u>	<u>\$ 123,152</u>	<u>\$ 6,942</u>	<u>\$ 910,740</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 101,784</u>	<u>\$ 6,020</u>	<u>\$ (3,756)</u>	<u>\$ (10,714)</u>	<u>\$ 5,181</u>	<u>\$ 98,515</u>
Other financing sources (uses):						
Transfers in	\$ 3,101	\$ 7,169	\$ -	\$ -	\$ -	\$ 10,270
Transfers out	-	(2,500)	-	(7,169)	(601)	(10,270)
Total other financing sources (uses):	<u>\$ 3,101</u>	<u>\$ 4,669</u>	<u>\$ -</u>	<u>\$ (7,169)</u>	<u>\$ (601)</u>	<u>\$ -</u>
Net change in fund balances	\$ 104,885	\$ 10,689	\$ (3,756)	\$ (17,883)	\$ 4,580	\$ 98,515
Fund balances at beginning of year	<u>370,627</u>	<u>41,771</u>	<u>10,200</u>	<u>41,773</u>	<u>3,031</u>	<u>467,402</u>
Fund balances at end of year	<u>\$ 475,512</u>	<u>\$ 52,460</u>	<u>\$ 6,444</u>	<u>\$ 23,890</u>	<u>\$ 7,611</u>	<u>\$ 565,917</u>

The accompanying notes are an integral part of this statement.

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

Net change in fund balances - total governmental funds	\$ 98,515
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(8,118)
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	5,242
Pension expense is based on employer contributions in the governmental funds, but is an actuarially calculated expense on the statement of activities.	<u>1,386</u>
Change in net position of governmental activities	<u><u>\$ 97,025</u></u>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Position  
 Agency Funds  
 For the Year Ended December 31, 2016

	Bail Bond Collection Trust Fund	Asset Forfeiture Trust Fund	Total Agency Funds
ASSETS	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash and cash equivalents	\$ 1,450	\$ 1,354	\$ 2,804
	<u>                    </u>	<u>                    </u>	<u>                    </u>
LIABILITIES			
Due to other funds	\$ 50	\$ 15	\$ 65
Due to others	1,400	1,339	2,739
Total liabilities	<u>\$ 1,450</u>	<u>\$ 1,354</u>	<u>\$ 2,804</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Thirty-Sixth Judicial District Attorney

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, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. His office is staffed by four Assistant District Attorneys, an investigator and eight secretarial/clerical employees. The Thirty-Sixth Judicial District comprises all of the Parish of Beauregard, State of Louisiana, and is located in the southwestern region of the state.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney includes all funds, account groups and activities that are controlled by the District Attorney as an independently elected parish official. As an independently elected parish official, the District Attorney is solely responsible for the retention of employees, authority over budgeting, the responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the District Attorney's office that are paid by the parish police jury as required by Louisiana law, the District Attorney's office is financially independent. Accordingly, the District Attorney is a separate governmental reporting entity. Certain units of local government over which the District Attorney exercises no oversight responsibility, such as the parish police jury, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish District Attorney.

**C. FUND ACCOUNTING**

The District Attorney uses funds to maintain his financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain District Attorney functions and activities. A fund is defined as a separate fiscal accounting entity with a self-balancing set of accounts.

Governmental Funds

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



Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

Major Governmental Funds

General Fund – the primary operating fund of the District Attorney and it accounts for all financial resources, except for those in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District Attorney’s policy.

Special Revenue Funds – to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Special Revenue Major Governmental Funds

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

Truancy Assessment Fund – The Truancy Assessment and Service Center Project will prevent and reduce the incidence of out-of-wedlock births by identifying children at risk of school failure due to excessive and unexcused absences and providing services to these children and their families. Truancy has been identified as a risk factor that contributes to the incidence of out-of-wedlock births. The purpose of the truancy assessment centers is to provide for the early identification and assessment of truants and the prompt delivery of coordinated interventions to prevent continued unauthorized school absences.

Drug Court Fund – The mission of the Thirty Sixth Judicial District Drug Court is to increase public safety through a court supervised substance abuse treatment program which is highly structured, carefully monitored and designed to promote offender responsibility and accountability with the goal of community reintegration of sober and productive citizens.

Special Revenue Non-Major Governmental Fund

Worthless Check Fund – The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney’s office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and change in net position. The only funds accounted for in this category by the District Attorney are agency funds. The agency funds account for assets held by the District Attorney as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The following are the District Attorney’s fiduciary funds.

Agency Funds

Asset Forfeiture Trust Fund – The Asset Forfeiture Trust Fund was established under the provisions of LSA-R.S. 40:2616(B) which requires that all monies collected from the sale of seized or forfeited assets is deposited into the fund. The District Attorney administers the distribution of monies to the appropriate local, state or federal law enforcement agency that participated in the activity that led to the seizure or forfeiture of the property or deposit of monies under and subject to LSA-R.S. 40:2616 (B).

Bail Bond Collection Trust Fund – The Bail Bond Collection Trust Fund was established in compliance with LSA-R.S. 15:571.11. The District Attorney collects on a judgment of bond forfeiture and distributes the proceeds according to this statute. Thirty percent of all funds collected shall be disbursed to the District Attorney’s general fund, twenty-five percent of all funds collected shall be disbursed to the parish’s criminal court fund, twenty-five percent shall be disbursed to the sheriff’s general fund and the remaining twenty percent shall be disbursed to the Indigent Defender Program. All funds shall be disbursed to the parish where the bonds were posted.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements C and E, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District Attorney operations.

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

Revenues

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

Reimbursements are recorded when the District Attorney is entitled to the funds.

Interest income on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). These sources (uses) are recorded when the expenditure is incurred.

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the District Attorney's non fiduciary activities as a whole. These statements include all the financial activities of the District Attorney. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from District Attorney users as a fee for services; program revenues reduce the cost of the function to be financed from the District Attorney's general fund.

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

The District Attorney has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

**E. BUDGET**

The District Attorney uses the following budget practices:

The budgets of the District Attorney of the Thirty-Sixth Judicial District, are adopted in accordance with Louisiana Revised Statutes 39:1301-1314. Annually the District Attorney adopts a budget for the General and Special Revenue Funds. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. The budget for the General and Special Revenue Funds is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those other 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, money market accounts, 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.

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 are 90 days or less, they are classified as cash equivalents. Investments are stated at cost. At December 31, 2016 the District Attorney had no investments.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

**H. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building and building improvements	20 - 40 years
Furniture and equipment	5-15 years

**I. COMPENSATED ABSENCES**

The District Attorney has the following policy relating to vacation and sick leave:

Employees of the District Attorney earn vacation leave at varying rates, depending on length of service, which does not accumulate. Upon resignation, unused vacation leave is paid to the employee at his current rate of pay.

Employees earn sick leave at the rate of one day a month, effective immediately upon employment. Ten days a year, not to exceed 30 days, may be accumulated. Unused sick leave lapses upon termination of employment.

At December 31, 2016 the District Attorney had no accumulated and vested leave benefits required to be reported in accordance with NCGA Statement 4 and Statement of Financial Accounting Standard (SFAS) 43.

**J. RESTRICTED NET POSITION**

For the government wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

**K. FUND BALANCES**

Restricted      Amounts that are restricted to specific purposes should be reported as restricted fund balance. Fund balance should be reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

Unassigned      Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**L. EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District Attorney, which are either unusual in nature or infrequent in occurrence. The District Attorney had no extraordinary or special items as of December 31, 2016.

**M. INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

**N. 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 and expenditures during the reporting period. Actual results could differ from these estimates.

**O. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District Attorney's Retirement System of Louisiana (DARS) and the Parochial Employee's Retirement System of Louisiana (PERS) and additions to/deductions from DARS's and PERS's fiduciary net positions have been determined on the same basis as they are reported by DARS and PERS. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing DARS and PERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis. The fiduciary net position is reflected in the measurement of the District Attorney's proportionate share of the plans net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

**P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

**Q. IMPACT OR RECENTLY ISSUED ACCOUNTING PRINCIPLES**

As of January 1, 2015, the District Attorney implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions – Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position.

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

**2. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following individual fund had actual expenditures over budgeted appropriations for the year ended December 31, 2016:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
Truancy Assessment Fund	\$ 82,700	\$ 72,728	\$ 74,739	\$ 2,011

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2016, the District Attorney has cash and cash equivalents (book balances) totaling \$511,417 as follows:

NOW accounts	\$ 188,617
Interest bearing demand deposits	42,135
Time deposits	255,650
Demand deposits	25,015
Total	<u>\$ 511,417</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 owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2016, the District Attorney has \$535,587 in deposits (collected bank balances). These deposits are secured from risk by \$535,587 of federal deposit insurance.

**4. RECEIVABLES**

The receivables of \$105,680 at December 31, 2016, are as follows:

Class of receivable	General Fund	Special Revenue Funds			Total
		Title IV-D Fund	Truancy Assessment Fund	Drug Court Funds	
Intergovernmental	\$ 11,222	\$ 23,940	\$ 20,276	\$ 17,418	\$ 72,856
Accounts receivable	32,674	-	-	150	32,824
Total	<u>\$ 43,896</u>	<u>\$ 23,940</u>	<u>\$ 20,276</u>	<u>\$ 17,568</u>	<u>\$ 105,680</u>

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

**5. INTERFUND RECEIVABLES/PAYABLES**

The following due to/from balances exist due to payments made out of one fund that relate to the other fund. The balance in each respective due to/from account is expected to be paid within the current year. These amounts represent loans until monies from grants are received.

	<u>Due from</u>	<u>Due to</u>
General fund	\$ 56,258	\$ -
Title IV-D fund	6,569	11,058
Truancy assessment fund	-	44,218
Drug court fund	-	7,486
Agency funds	-	65
Total	<u>\$ 62,827</u>	<u>\$ 62,827</u>

**6. INTERFUND TRANSFERS**

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ 3,101	\$ -
Title IV-D fund	7,169	2,500
Drug court fund	-	7,169
Hot check fund	-	601
Total	<u>\$ 10,270</u>	<u>\$ 10,270</u>

Transfers are made as needed for financing activities and also to correct improper deposits to the funds.

**7. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2016, for the District Attorney is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Building improvements	\$ 308,514	\$ 5,242	\$ -	\$ 313,756
Equipment and furniture	296,639	-	-	296,639
Total capital assets being depreciated	<u>\$ 605,153</u>	<u>\$ 5,242</u>	<u>\$ -</u>	<u>\$ 610,395</u>
Less accumulated depreciation for:				
Building improvements	\$ 118,138	\$ 5,657	\$ -	\$ 123,795
Equipment and furniture	283,924	2,461	-	286,385
Total accumulated depreciation	<u>\$ 402,062</u>	<u>\$ 8,118</u>	<u>\$ -</u>	<u>\$ 410,180</u>
Total capital assets being depreciated, net	<u>\$ 203,091</u>	<u>\$ (2,876)</u>	<u>\$ -</u>	<u>\$ 200,215</u>

Depreciation expense of \$8,118 for the year ended December 31, 2016, was charged to the following governmental functions:

Judicial	<u>\$ 8,118</u>
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Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

**8. ACCOUNTS AND OTHER PAYABLES**

The payables of \$45,941 at December 31, 2016, are as follows:

	General Fund	Drug Court Fund	IV-D Fund	Other Governmental Funds	Total
Accounts	\$ 8,361	\$ 1,635	\$ -	\$ -	\$ 9,996
Payroll taxes	1,485	-	-	-	1,485
Retirement	8,574	506	4,688	-	13,768
Due to others	17,602	-	-	3,090	20,692
Total	<u>\$ 36,022</u>	<u>\$ 2,141</u>	<u>\$ 4,688</u>	<u>\$ 3,090</u>	<u>\$ 45,941</u>

**9. PENSION PLANS**

The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost sharing multiple-employer defined benefit pension plan administered by a separate board of trustees.

Assistant District Attorneys who earn, as a minimum, the amounts paid by the state for Assistant District Attorneys and are under the age of 60 at the time of original employment and all District Attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3% benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3% benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3% benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3% of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100% of his average final compensation. For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation. The System also provides death and disability benefits. Benefits are established by state statute.

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

FUNDING POLICY

Plan members are required by state statute to contribute 8.0% of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 0.00% of annual covered payroll. Contributions to the System also include .2% of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System for the years ending December 31, 2016, 2015, and 2014 were \$3,929, \$11,628, and \$20,720, respectively equal to the required contributions for each year.



Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

*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 \$65,221 for his proportionate share of net pension liability. 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 by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating District Attorneys, actuarially determined. At June 30, 2016 the District Attorney's proportion was .340747%, which was a decrease of .089936% from his proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the District Attorney recognized pension revenue of \$5,175. At December 31, 2016, the District Attorney recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 26,273
Changes of assumptions	12,302	14,462
Net difference between projected and actual earnings on pension plan investments	50,006	-
Changes in proportion and differences between District Attorney contributions and proportionate share of contributions	1,676	12,455
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 63,984</u>	<u>\$ 53,190</u>

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

Year ended December 31:	
2017	\$ (2,157)
2018	(2,157)
2019	15,998
2020	5,195
2021	(3,043)
2022	<u>(3,042)</u>
Total	<u>\$ 10,794</u>

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

*Actuarial Methods and Assumptions*

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 (Discount Rate)	7.00% (Net of investment expense)
Projected Salary Increases	5.50% (2.50% Inflation, 3.00% Merit)
Mortality	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 beneficiaries. The RP 2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) was selected for disabled annuitants.
Expected Remaining Service Lives	2016 – 7 years 2015 – 6 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.

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 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. The resulting expected long-term rate of return is 9.04% for the year ending June 30, 2016.

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

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:

Asset Class	Long-Term Target Asset Allocation	Expected Portfolio Real Rate of Return
Equity	57.70%	3.56%
Fixed income	33.00%	2.26%
Alternatives	4.80%	0.50%
Real Estate	4.50%	0.02%
Totals	100.00%	6.34%
Inflation		2.70%
Expected Real Rate of Return		9.04%

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.

*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%	Current	1%
	Decrease	Discount	Increase
	6.00%	7.00%	8.00%
Net Pension Liability/(Asset)	\$ 246,110	\$ 65,221	\$ (43,981)

Substantially all other employees of the District Attorney of the Thirty-Sixth Judicial District, Parish of Beauregard, State of Louisiana are members of the Parochial Employees’ Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Attorney are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, PO Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

FUNDING POLICY

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 13.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System under Plan A for the years ending December 31, 2016, 2015, and 2014, were \$15,994, \$17,694, and \$18,866, respectively, equal to the required contributions for each year.

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

At December 31, 2016, the District Attorney reported a liability of \$56,023 for his proportionate share of net pension liability. The net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating District Attorney's, actuarially determined. At December 31, 2016 the District Attorney's proportion was .021283%, which was an increase of .000446% from his proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the District Attorney recognized pension expense of \$23,712. At December 31, 2016, the District Attorney recognized deferred outflows of resources and deferred inflows of resources related to pension from the following:

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 8,904
Changes of assumptions	12,483	-
Net difference between projected and actual earnings on pension plan investments	51,263	-
Changes in proportion and differences between District Attorney contributions and proportionate share of contributions	16	58
Employer contributions subsequent to the measurement date	15,994	-
Total	<u>\$ 79,756</u>	<u>\$ 8,962</u>

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

Year ended December 31:	
2016	\$ 14,465
2017	14,465
2018	15,320
2019	10,550
Total	<u>\$ 54,800</u>

*Actuarial Methods and Assumptions*

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	Plan A – Entry Age Normal
Investment Rate of Return	7.00% Net of investment expense, including inflation
Estimated Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 5.25% (2.75% Merit/2.50% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Continued)

The discount rate used to measure the total pension liability was 7.00% for Plan A. 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.

Change in Assumptions:

Amounts reported in fiscal year ended December 31, 2015 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the System was reduced by 0.25% to 7.00% as of the valuation date December 31, 2015. Other changes are as follows:

Valuation Date	December 31, 2015	December 31, 2014
Inflation Rate	2.50%	3.00%
Project Salary Increases	5.25% (2.50% Inflation, 2.75% Merit)	5.75% (3.00% Inflation, 2.75% Merit)

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 ending 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:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	34%	1.06%
Equity	51%	3.56%
Alternatives	12%	0.74%
Real assets	3%	0.19%
Totals	100%	5.55%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.55%

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 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.

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (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 as of June 30, 2016:

	Changes in Discount Rate:		
		Current	
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 140,371	\$ 56,023	\$ (15,250)

**10. DEFERRED COMPENSATION PLAN**

The District Attorney offers membership in the State of Louisiana, Public Employees Deferred Compensation Plan, a qualified retirement plan under section 457 of the Internal Revenue Code administered by Great West Life and Annuity Insurance Company.

The Louisiana Deferred Compensation Plan provides state, parish and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal and state income tax on their contributions. In addition, interest or earnings on the account accumulates tax-deferred. Participants may join the plan with as little as \$10 per pay period, or \$20 per month, and contribute up to a maximum of 25% of taxable compensation, not to exceed \$18,000 per calendar year for those participants under age 50, for participants age 50 and older the limit is \$24,000.

A special "catch-up" provision may be used to invest up to \$31,000 per year for the three years prior to retirement. Any amount excluded from gross income through salary reduction under a 403(b) annuity, a 401(k) profit-sharing plan or a Simplified Employee Pension (SEP) is to be treated as amounts deferred under this deferred compensation plan. Participants joining the Plan may choose the amount to contribute and the investment option(s). They may revise their choice at any time, transfer monies to other available investment options and may increase, decrease or stop deferrals at any time. The Plan offers both a guaranteed option and variable investment options, from which participants may select a fund or combination of funds to satisfy their personal investment objectives. Each of the funds has independent investment objectives and utilizes different investment strategies. With the exception of the Great-West Guaranteed Fund, the remaining investments options are variable in nature. Values of the variable options are not guaranteed as to a fixed dollar amount and may increase or decrease according to the investment experience of the underlying portfolio. The expense to administer the Plan is borne by all participants. The administrative fee is .85% and is assessed on each of the options selected. The variable options also have investment management fees that vary based upon the options chosen. Both the administrative and investment management fees are calculated and deducted daily on a pro-rata basis. There are no annual contract charges or transaction charges. At retirement, 100% of the account value will be applied to any of the following settlement options chosen. These options include among others:

- Periodic payment
- Payments over your lifetime
- Payments for a specific time or amount
- Joint and survivor benefits
- Lump-sum payment
- Any combination of the above option

The Plan is administered by Great-West Life and Annuity Insurance Company; 2237 South Acadian Thruway, Suite 702; Baton Rouge, LA 70808; (800) 937-7604 or (225) 926-8086.

Thirty-Sixth Judicial District Attorney

Notes to the Financial Statements (Concluded)

**11. 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 criminal court fund, the parish police jury or directly by the state. A portion of the salaries of the District Attorney and Assistant District Attorneys are paid directly by the state. The parish police jury pays certain salaries and employer contributions of secretarial personnel.

**12. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended December 31, 2016.

	Net Pension Liability
Long-term obligations at beginning of year	\$ 28,896
Additions	112,271
Reductions	(19,923)
Long-term obligations at end of year	<u>\$ 121,244</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2016:

	Net Pension Liability
Current portion	\$ -
Long-term portion	121,244
Total	<u>\$ 121,244</u>



REQUIRED SUPPLEMENTAL INFORMATION

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Intergovernmental:				
Federal grants	\$ 32,000	\$ 48,889	\$ 45,348	\$ (3,541)
State grants	54,000	60,004	60,004	-
Local reimbursement of operating cost	122,000	95,139	108,838	13,699
Fees, charges and commissions for services	460,000	481,113	498,530	17,417
Investment income	750	744	861	117
Other revenue	600	-	34	34
Total revenues	<u>\$ 669,350</u>	<u>\$ 685,889</u>	<u>\$ 713,615</u>	<u>\$ 27,726</u>
Expenditures				
Judiciary:				
Personal services and related benefits	\$ 342,000	\$ 371,957	\$ 354,041	\$ 17,916
Travel and professional development	27,500	26,285	20,015	6,270
Operating services	63,000	100,771	95,832	4,939
Supplies	20,000	19,834	13,915	5,919
Contracted services	143,000	114,806	122,786	(7,980)
Capital outlay	-	5,242	5,242	-
Total expenditures	<u>\$ 595,500</u>	<u>\$ 638,895</u>	<u>\$ 611,831</u>	<u>\$ 27,064</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 73,850</u>	<u>\$ 46,994</u>	<u>\$ 101,784</u>	<u>\$ 54,790</u>
Other financing sources:				
Transfers in	<u>\$ -</u>	<u>\$ 3,101</u>	<u>\$ 3,101</u>	<u>\$ -</u>
Total other financing sources	<u>\$ -</u>	<u>\$ 3,101</u>	<u>\$ 3,101</u>	<u>\$ -</u>
Net change in fund balance	\$ 73,850	\$ 50,095	\$ 104,885	\$ 54,790
Fund balances at beginning of year	<u>350,000</u>	<u>370,627</u>	<u>370,627</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 423,850</u></u>	<u><u>\$ 420,722</u></u>	<u><u>\$ 475,512</u></u>	<u><u>\$ 54,790</u></u>

Special Revenue Fund  
Title IV-D Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
<b>Revenues</b>				
State reimbursement of operating cost	\$ 107,000	\$ 95,761	\$ 100,018	\$ 4,257
Investment income	60	76	78	2
Total revenues	<u>\$ 107,060</u>	<u>\$ 95,837</u>	<u>\$ 100,096</u>	<u>\$ 4,259</u>
<b>Expenditures</b>				
Judiciary:				
Personal services and related benefits	\$ 103,000	\$ 93,824	\$ 93,130	\$ 694
Operating services	1,100	168	127	41
Supplies	900	1,092	819	273
Total expenditures	<u>\$ 105,000</u>	<u>\$ 95,084</u>	<u>\$ 94,076</u>	<u>\$ 1,008</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,060</u>	<u>\$ 753</u>	<u>\$ 6,020</u>	<u>\$ 5,267</u>
<b>Other financing sources (uses):</b>				
Transfers out	\$ -	\$ (2,500)	\$ (2,500)	\$ -
Transfers in	-	7,169	7,169	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 4,669</u>	<u>\$ 4,669</u>	<u>\$ -</u>
Net change in fund balance	\$ 2,060	\$ 5,422	\$ 10,689	\$ 5,267
Fund balances at beginning of year	<u>45,000</u>	<u>41,771</u>	<u>41,771</u>	<u>-</u>
Fund balances at end of year	<u>\$ 47,060</u>	<u>\$ 47,193</u>	<u>\$ 52,460</u>	<u>\$ 5,267</u>

Special Revenue Fund  
Truancy Assessment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
Revenues				
State grants	\$ 75,000	\$ 72,096	\$ 70,968	\$ (1,128)
Local grants	12,000	-	-	-
Investment income	10	15	15	-
Total revenues	<u>\$ 87,010</u>	<u>\$ 72,111</u>	<u>\$ 70,983</u>	<u>\$ (1,128)</u>
Expenditures				
Judiciary:				
Personal services and related benefits	\$ 73,000	\$ 70,485	\$ 73,056	\$ (2,571)
Travel and professional development	1,200	1,370	1,028	342
Operating services	4,400	-	-	-
Supplies	3,600	873	655	218
Contracted services	500	-	-	-
Total expenditures	<u>\$ 82,700</u>	<u>\$ 72,728</u>	<u>\$ 74,739</u>	<u>\$ (2,011)</u>
Net change in fund balance	\$ 4,310	\$ (617)	\$ (3,756)	\$ (3,139)
Fund balance at beginning of year	<u>6,700</u>	<u>10,200</u>	<u>10,200</u>	<u>-</u>
Fund balances at end of year	<u>\$ 11,010</u>	<u>\$ 9,583</u>	<u>\$ 6,444</u>	<u>\$ (3,139)</u>

Special Revenue Fund  
Drug Court Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amount Budgetary Basis	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Federal grants	\$ 99,000	\$ 91,518	\$ 92,694	\$ 1,176
Fees, charges and commissions for services	18,000	20,500	19,744	(756)
Total revenues	<u>\$ 117,000</u>	<u>\$ 112,018</u>	<u>\$ 112,438</u>	<u>\$ 420</u>
Expenditures				
Judiciary:				
Personal services and related benefits	\$ 26,000	\$ 37,235	\$ 37,235	\$ -
Travel and professional development	3,200	5,830	2,853	2,977
Operating services	1,600	25,919	18,672	7,247
Supplies	19,000	16,170	16,592	(422)
Contracted services	50,000	47,800	47,800	-
Total expenditures	<u>\$ 99,800</u>	<u>\$ 132,954</u>	<u>\$ 123,152</u>	<u>\$ 9,802</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 17,200</u>	<u>\$ (20,936)</u>	<u>\$ (10,714)</u>	<u>\$ 10,222</u>
Other financing uses:				
Transfers out	<u>\$ -</u>	<u>\$ (7,169)</u>	<u>\$ (7,169)</u>	<u>\$ -</u>
Net change in fund balance	\$ 17,200	\$ (28,105)	\$ (17,883)	\$ 10,222
Fund balance at beginning of year	<u>24,000</u>	<u>41,773</u>	<u>41,773</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 41,200</u></u>	<u><u>\$ 13,668</u></u>	<u><u>\$ 23,890</u></u>	<u><u>\$ 10,222</u></u>

Schedule of the District Attorney's Share of the Net Pension Liability  
For the Year Ended December 31, 2016

District Attorneys' Retirement System of Louisiana	December 31, 2015	December 31, 2016
District Attorney's proportion of the net pension liability (asset)	.430685%	.340747%
District Attorney's proportionate share of the net pension liability (asset)	\$ 23,199	\$ 65,221
District Attorney's covered-employee payroll	\$ 221,886	\$ 224,516
District Attorney's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	10.46%	29.05%
Plan fiduciary net position as a percentage of the total pension liability	98.56%	95.09%
Parochial Employees' Retirement System of Louisiana	December 31, 2015	December 31, 2016
District Attorney's proportion of the net pension liability (asset)	.020837%	.021283%
District Attorney's proportionate share of the net pension liability (asset)	\$ 5,697	\$ 56,023
District Attorney's covered-employee payroll	\$ 122,028	\$ 123,028
District Attorney's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	4.67%	4.56%
Plan fiduciary net position as a percentage of the total pension liability	99.15%	92.23%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District Attorney's Pension Contribution  
For the Year Ended December 31, 2016

District Attorneys' Retirement System of Louisiana	December 31, 2015	December 31, 2016
Contractually required contribution	\$ 11,628	\$ 3,929
Contributions in relation to the contractually required contribution	11,628	3,929
Contribution deficiency (excess)	\$ -	\$ -
District Attorney's covered-employee payroll	\$ 221,886	\$ 224,516
Contributions as a percentage of covered-employee payroll	5.24%	1.75%
Parochial Employees' Retirement System of Louisiana	December 31, 2015	December 31, 2016
Contractually required contribution	\$ 17,694	\$ 15,994
Contributions in relation to the contractually required contribution	17,694	15,994
Contribution deficiency (excess)	\$ -	\$ -
District Attorney's covered-employee payroll	\$ 122,028	\$ 123,028
Contributions as a percentage of covered-employee payroll	14.50%	13.00%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTAL SCHEDULES



Thirty- Sixth Judicial District Attorney

Non-major Fund

WORTHLESS CHECK FUND

Worthless Check Fund – The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney’s office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

Balance Sheet  
 Nonmajor Governmental Fund  
 For the Year Ended December 31, 2016

	Worthless Check Fund
ASSETS	
Cash and cash equivalents	\$ 10,701
LIABILITIES AND FUND BALANCES	
Liabilities:	
Due to others	\$ 3,090
Fund Balances:	
Unassigned	\$ 7,611
Total liabilities and fund balances	\$ 10,701

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Fund  
 For the Year Ended December 31, 2016

	<u>Worthless Check Fund</u>
Revenues	
Fees, charges and commissions for services	\$ 12,113
Investment income	10
Total revenues	<u>\$ 12,123</u>
Expenditures	
Judiciary	
Travel and professional development	\$ 121
Operating services	5,834
Supplies	987
Total expenditures	<u>\$ 6,942</u>
Excess (deficiency) of revenues over expenditures	\$ 5,181
Other financing uses:	
Transfers out	<u>\$ (601)</u>
Net change in fund balances	\$ 4,580
Fund balances at beginning of year	<u>3,031</u>
Fund balances at end of year	<u><u>\$ 7,611</u></u>

Schedules of Compensation, Benefits and  
Other Payments to Agency Head  
For the Year Ended December 31, 2016

Agency Head Name - James R. Lestage

Purpose	Amount
Salary	\$ 142,232
Benefits - insurance	9,843
Benefits - retirement	-
Deferred compensation	6,000
Benefits - other	-
Car allowance	9,000
Vehicle provided by government	-
Cell phone	1,611
Dues	435
Vehicle rental	-
Per diem	1,513
Reimbursements	-
Travel	-
Registration fees	200
Conference travel	-
Housing	2,497
Unvouchered expenses	-
Special meals	72
Other	-

## OTHER REPORTS

Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2016

There were no prior year audit findings reported as of December 31, 2015.

Schedule of Current Year Audit Findings and Management's Response  
For the Year Ended December 31, 2016

There were no current year audit findings reported as of December 31, 2016.

# Windham & Reed, L.L.C.

*Certified Public Accountants*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles M. Reed, Jr., CPA

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*

The Honorable James R. Lestage  
Thirty-Sixth Judicial District Attorney  
Parish of Beauregard  
State of Louisiana

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

### **Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

  
DeRidder, Louisiana  
May 31, 2017