

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

ANNUAL FINANCIAL REPORT
DECEMBER 31, 2016

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

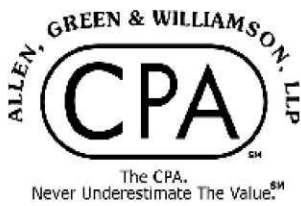
TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		5-7
REQUIRED SUPPLEMENTARY INFORMATION		
Management's Discussion and Analysis		9-15
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements:		16
Statement of Net Position	A	17
Statement of Activities	B	18
Fund Financial Statements:		19
Balance Sheet	C	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	23
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	G	24
Notes to the Financial Statements		25-42
REQUIRED SUPPLEMENTARY INFORMATION		
	<u>Exhibit</u>	
Schedule of Proportionate Share of the Net Pension Liability	1-1	44
Schedule of Employer Contributions to Pension Plan	1-2	45
Budget Comparison Schedules		46
General Fund	2	47
Special Revenue Fund - Title IV-D	3	48
Notes to Budgetary Comparison Schedules		49-50

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION		
Agency Funds	4	52
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		53-54
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> AND BY OFFICE OF MANAGEMENT AND BUDGET <u>UNIFORM GUIDANCE</u>		
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>		56-57
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by Uniform Guidance		58-59
Schedule of Expenditures of Federal Awards		60
Notes to the Schedule of Expenditures of Federal Awards		61
Schedule of Findings and Questioned Costs		62-64
OTHER INFORMATION		
Status of Prior Year Findings and Questioned Costs		66
Corrective Action Plan for Current Year Findings and Questioned Costs		67
Management Letter		68-69



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INDEPENDENT AUDITOR'S REPORT

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita 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'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 basic 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 Fourth Judicial District, a component unit of Ouachita Parish Police Jury, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

Allen, Green & Williamson, LLP

Monroe, Louisiana
June 30, 2017

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2016

This section of the annual financial report of the District Attorney of the Fourth Judicial District (District Attorney), presents management's discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2016. Please read this in conjunction with the District Attorney's financial statements, which follow this section.

In fiscal year 2016, the District Attorney adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 72 – Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

- *Statement No. 73 – Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendment to Certain Provision of GASB Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.

- *Statement No. 77 – Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. The District Attorney currently does not collect any ad valorem taxes that would be subject to Statement No. 77.

Financial Highlights

The following table exhibits some of the more important highlights of the financial results from the year ended December 31, 2016:

- The District Attorney's total net position from governmental activities decreased \$120,739 from the beginning of the fiscal year as a result of additional expenses incurred in operations of the District Attorney's office in the areas of computer expenses and LACE program costs and revenues being less than expected in the areas of fines and fees and drug asset forfeiture fees.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2016

- During the year ended December 31, 2016 the District Attorney's revenue increased \$172,598 from the prior year as a result of revenue increases in the diversion and reinstatement fees. Expenses increased \$168,697 from the prior year as a result of increases in LACE program costs and computer expenses.
- The governmental activities reported unrestricted net position of \$4,037,134, which was a decrease of \$105,310 from the prior year.
- Title IV- D is a cost reimbursement grant and does not report a fund balance.

Overview of the Financial Statements

This annual report consists of various parts, including management's discussion and analysis (this section), the basic financial statements, required supplementary information, supplementary information and other information. The basic financial statements include three kinds of statements that present different views of the District Attorney's financial records:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The next set of statements are fund financial statements that focus on individual parts of the District Attorney's governmental operations, reporting the District Attorney's operations in more detail than the government-wide statements. The District Attorney's most significant funds are the general fund and the Title IV-D fund.
- The remaining statement is a statement of fiduciary assets and liabilities and presents financial information about activities for which the District Attorney acts solely as an agent for the benefit of others.

The governmental funds statements tell how general government services, like public safety, were financed in the short term as well as what remains for future spending.

Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as an agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified below. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Exhibit 1 summarizes the major features of the District Attorney's financial statements, including the portion of the District Attorney's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

District Attorney of the Fourth Judicial District
 Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
 December 31, 2016

Exhibit 1			
Major Features of District Attorney's Government-wide and Fund Financial Statements			
	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS	
		Governmental Funds	Fiduciary Funds (Agency)
Scope	The entire District Attorney governmental unit (excluding fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary, such as public safety and the IV-D program	Instances in which the District Attorney is the trustee or agent for someone else's resources, such as seized drug assets awaiting forfeiture
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenue, expenditures and changes in fund balances	Statements of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset, liability and deferred inflows/outflows	All assets, liabilities and deferred inflows/outflows both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included	All assets and liabilities, both short-term and long-term; the District Attorney's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is paid or received	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	No revenues or expenses recorded for agency funds

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2016

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources with the difference reported as Net Position. All of the current year's revenues and expense are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District Attorney's net position and how they have changed. Net position (the difference between the District Attorney's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources) is one way to measure the District Attorney's financial health, or position.

For instance:

- Over time, increases or decreases in the District Attorney's net position is an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District Attorney, one needs to consider additional financial factors such as changes in the finances of the State of Louisiana and the Morehouse and Ouachita Parish Police Juries.

The government-wide financial statements of the District Attorney consist of:

- Governmental activities- all of the District Attorney's basic services are included here, such as public safety, the IV-D program and general administration.

Fund Financial Statements

The fund financial statements provide more detailed information about the District Attorney's most significant funds, the General Fund and the Title IV-D fund, not the District Attorney as a whole. Funds are accounting devices that the District Attorney used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law or by bond covenants.

The District Attorney has two kinds of funds:

- Governmental funds - Most of the District Attorney's basic services are included in governmental funds which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page that explains the relationships between them.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2016

- Fiduciary funds - The activity in these funds are excluded from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

Financial Analysis of the District Attorney as a Whole

Net Position - The District Attorney's combined net position decreased during 2016 by \$120,739 or 2.7%, from the net position of \$4,501,681 at December 31, 2015, as shown in the following table.

	<u>2016</u>	<u>2015</u>	<u>Variance</u>
Assets			
Other assets	\$4,463,355	\$ 4,610,638	\$ (147,283)
Capital assets	343,808	359,237	(15,429)
Total assets	<u>4,807,163</u>	<u>4,969,875</u>	<u>(162,712)</u>
Deferred Outflows	<u>228,722</u>	<u>223,954</u>	<u>4,768</u>
Liabilities			
Other liabilities	246,228	225,513	20,715
Long-term liabilities	232,635	58,943	173,692
Total liabilities	<u>478,863</u>	<u>284,456</u>	<u>194,407</u>
Deferred Inflows	<u>176,080</u>	<u>407,692</u>	<u>(231,612)</u>
Net position			
Investment in capital assets	343,808	359,237	(15,429)
Unrestricted	4,037,134	4,142,444	(105,310)
Total net position	<u>\$4,380,942</u>	<u>\$ 4,501,681</u>	<u>\$ (120,739)</u>

Changes in Net Position - The following condensed government-wide governmental activity statement illustrates the major changes in operations for the District Attorney as compared to 2015.

	<u>2016</u>	<u>2015</u>
Revenue	\$ 4,272,543	\$ 4,099,945
Expenses	(4,393,282)	(4,224,585)
Increase (Decrease)	<u>\$ (120,739)</u>	<u>\$ (124,640)</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2016

The District Attorney's total governmental revenue increased in 2016 by \$172,598 or 4.2%, and expenses increased by \$168,697 or 4.0%, as compared to 2015.

	Governmental Activities		
	2016	2015	Variance
Revenues:			
Program Revenues			
Charges for services	\$ 3,049,331	\$ 2,847,322	\$ 202,009
Operating grants and contributions	991,414	1,000,098	(8,684)
General Revenues			
Local support	176,561	179,392	(2,831)
Interest and investment earnings	15,462	18,408	(2,946)
Miscellaneous	39,775	54,725	(14,950)
Total revenues	<u>\$ 4,272,543</u>	<u>\$ 4,099,945</u>	<u>\$ 172,598</u>
Expenses			
Public safety and judicial prosecution	<u>4,393,282</u>	<u>4,224,585</u>	<u>168,697</u>
Total expenses	<u>4,393,282</u>	<u>4,224,585</u>	<u>168,697</u>
Increase (decrease) in net position	<u>(120,739)</u>	<u>(124,640)</u>	<u>3,901</u>
Net position- beginning	<u>4,501,681</u>	<u>4,626,321</u>	<u>(124,640)</u>
Net position- ending	<u>\$ 4,380,942</u>	<u>\$ 4,501,681</u>	<u>\$ (120,739)</u>

Financial Analysis of the District Attorney's Funds

At the end of 2016, the District Attorney's governmental funds reported a combined fund balance of \$4,217,127 which was a decrease of \$167,998 from the 2015 balance. The decrease in fund balance is due to additional expenses incurred in operating the District Attorney's office and revenues being less than expected and budgeted.

General Fund Budgetary Highlights

The District Attorney revises its budget during the year, as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the District Attorney's original and final budgets, compared with actual results, is provided in the required supplementary information section of this report.) In the current year, changes between the original and revised budget were due to unexpected changes in revenues and expenditures.

The General Fund's actual revenues were less than projected budgeted revenue amounts by \$70,322 due to a reduction in fines and fee revenue and drug asset forfeiture fees from expected amounts. The original budget was increased by \$53,135 mainly due to increased estimated revenue from intergovernmental sources.

The General Fund's actual expenditures were less than projected budgeted expenditure amounts by \$14,532, due to capital outlays being more than expected offset by a reduction in materials and supplies expenses. The original budget was decreased by \$320 mainly due to a reduction in the need for supplies and related expenses.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Management's Discussion and Analysis (MD&A)
December 31, 2016

Capital Assets

At the end of 2016, the District Attorney had \$343,808 invested in a broad range of capital assets. This amount represents a net decrease (including additions, deductions, and depreciation) of \$15,429, or approximately 4.3%, from last year. For further detailed information, please refer to Note 6 in the Notes to the Financial Statement.

	Capital Assets	
	December 31,	
	2016	2015
Furniture, Fixtures and Equipment	\$ 267,862	\$ 281,920
Vehicles	75,946	77,317
Total capital assets, net of accumulated depreciation	<u>\$ 343,808</u>	<u>\$ 359,237</u>

Economic Factors and Next Year's Budget

The District Attorney is dependent on the State of Louisiana and the Morehouse and Ouachita Parish Police Juries for partial payment of the attorney's salaries, a portion of its overhead as well as some administrative costs. The Morehouse and Ouachita Parish Police Juries also pay the clerical salaries. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth or reversals. The budget for 2017 is slightly less than the 2016 operating budget.

Contacting the District Attorney's Financial Management

This financial report is designed to provide the citizens, taxpayers and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cynthia P. Lavespere, Administrator, 400 St. John Street, Suite 301, Monroe, Louisiana 71201.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements (GWFS)

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

STATEMENT OF NET POSITION
December 31, 2016

Statement A

ASSETS AND DEFERRED OUTFLOWS

ASSETS

Cash and cash equivalents	\$ 931,311
Investments	3,289,338
Receivables	242,706
Capital Assets:	
Capital assets, net of accumulated depreciation	343,808

TOTAL ASSETS	4,807,163
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DEFERRED OUTFLOWS

Deferred outflows related to pensions	228,722
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LIABILITIES, DEFERRED INFLOWS AND NET POSITION

LIABILITIES

Accounts payable	246,228
Long term liabilities	
Due in more than one year - net pension liability	232,635

TOTAL LIABILITIES	478,863
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DEFERRED INFLOWS

Deferred inflows related to pensions	176,080
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NET POSITION

Investment in capital assets	343,808
Unrestricted	4,037,134

TOTAL NET POSITION	\$ 4,380,942
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Statement B

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
FUNCTIONS/PROGRAMS:				
Governmental activities:				
Public safety and judicial prosecution	\$ 4,393,282	\$ 3,049,331	\$ 991,414	\$ (352,537)
Total Governmental Activities	4,393,282	3,049,331	991,414	(352,537)
General revenues:				
Local support				176,561
Interest and investment earnings				15,462
Miscellaneous				39,775
Total general revenue				231,798
Change in net position				(120,739)
NET POSITION - BEGINNING				4,501,681
NET POSITION - ENDING				\$ 4,380,942

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
December 31, 2016

Statement C

	Major Funds		Non-Major Funds	
	GENERAL FUND	TITLE IV-D	WORTHLESS CHECK COLLECTION FEE	TOTAL
ASSETS				
Cash and cash equivalents	\$ 931,311	\$ -	\$ -	\$ 931,311
Investments	3,289,338	-	-	3,289,338
Receivables	184,830	55,854	2,022	242,706
Interfund receivables	18,443	-	-	18,443
TOTAL ASSETS	4,423,922	55,854	2,022	4,481,798
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	206,795	39,433	-	246,228
Interfund payables	-	16,421	2,022	18,443
TOTAL LIABILITIES	206,795	55,854	2,022	264,671
FUND BALANCES				
Unassigned	4,217,127	-	-	4,217,127
TOTAL FUND BALANCES	4,217,127	-	-	4,217,127
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,423,922	\$ 55,854	\$ 2,022	\$ 4,481,798

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Statement D

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

Total Fund Balances - Governmental Funds	\$ 4,217,127
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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.

	\$ 1,818,595	
Costs of Capital Assets		
Depreciation expense to date	<u>(1,474,787)</u>	343,808

Deferred outflows of resources related to pensions are not due and payable in the current period and accordingly are not reported in the governmental funds.	228,722
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Deferred inflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the governmental funds.	(176,080)
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Long-term liabilities applicable to the District Attorney's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities- both current and long term- are reported in the Statement of Net Position.

Long-Term Liabilities		
Net pension liability		<u>(232,635)</u>

Net position of governmental activities	<u>\$ 4,380,942</u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

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

Statement E

	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>TITLE IV-D</u>	<u>WORTHLESS CHECK COLLECTION FEE</u>	
REVENUES				
Fines, fees and bond forfeitures	\$ 2,580,666	\$ -	\$ 108,896	\$ 2,689,562
Court cost fees	308,840	-	-	308,840
Interest income	15,462	-	-	15,462
Intergovernmental revenue				
Federal	235,817	591,997	-	827,814
State	126,100	-	-	126,100
Local	214,061	-	-	214,061
Drug asset forfeitures	37,850	-	-	37,850
Collection fees	13,079	-	-	13,079
Other	39,775	-	-	39,775
Total revenues	3,571,650	591,997	108,896	4,272,543
EXPENDITURES				
Current				
General Government				
Personnel services	2,171,758	499,590	108,896	2,780,244
Contractual charges	1,019,853	68,934	-	1,088,787
Materials and supplies	298,930	21,132	-	320,062
Other charges	154,676	2,341	-	157,017
Capital outlay	94,431	-	-	94,431
Total expenditures	3,739,648	591,997	108,896	4,440,541
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(167,998)	-	-	(167,998)
FUND BALANCES - BEGINNING	4,385,125	-	-	4,385,125
FUND BALANCES - ENDING	\$ 4,217,127	\$ -	\$ -	\$ 4,217,127

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Statement F

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

Total net change in fund balances - governmental funds \$ (167,998)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the
Statement of Activities, the cost of those assets is allocated over their estimated useful
lives as depreciation expense. This is the amount by which depreciation expense
exceeded capital outlays in the period.

Capital Outlays	\$ 94,431	
Depreciation expense to date	<u>(109,560)</u>	(15,129)

Capital outlays disposed of prior to full depreciation results in a loss on disposal for the
government-wide statements. There is no recognition of this loss in the governmental funds. (300)

The recognition of pension expense in the Statement of Activities is based on projected
benefit payments discounted to actuarial present value and attributed to periods of
employee service. Pension expenditures in the fund financial statements are the
amounts actually paid. 62,688

Changes in net position of governmental activities \$ (120,739)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2016

	Statement G
ASSETS	
Cash and cash equivalents	<u>\$ 881,677</u>
TOTAL ASSETS	<u><u>881,677</u></u>
LIABILITIES	
Deposits due others	<u>881,677</u>
TOTAL LIABILITIES	<u><u>\$ 881,677</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Notes to the Financial Statements
December 31, 2016**

INTRODUCTION.....	26
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	26
A. BASIS OF PRESENTATION.....	26
B. REPORTING ENTITY	26
C. FUND ACCOUNTING.....	27
<u>Governmental Funds</u>	27
<u>Fiduciary Funds</u>	28
D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING.....	29
<u>Government Wide Financial Statements (GWFS)</u>	29
<u>Fund Financial Statements (FFS)</u>	29
<u>Revenues</u>	30
<u>Expenditures</u>	30
E. BUDGETS	30
F. CASH AND CASH EQUIVALENTS	30
G. INVESTMENTS	30
H. SHORT TERM INTERFUND RECEIVABLES/PAYABLES (FUND FINANCIAL STATEMENTS).....	30
I. CAPITAL ASSETS.....	31
J. COMPENSATED ABSENCES	31
K. RESTRICTED NET POSITION.....	31
L. FUND BALANCE OF FUND FINANCIAL STATEMENTS	31
M. ENCUMBRANCES	32
N. INTERFUND TRANSACTIONS.....	32
O. ESTIMATES	32
P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES.....	32
NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY	33
NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS	33
NOTE 4 - RECEIVABLES.....	34
NOTE 5 - INTERFUND RECEIVABLES/PAYABLES	34
NOTE 6 - CAPITAL ASSETS.....	35
NOTE 7 -PENSION PLAN	35
NOTE 8 - AGENCY FUNDS	40
NOTE 9 - LITIGATION AND CLAIMS	40
NOTE 10 - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS	40
NOTE 11 - FEDERAL FINANCIAL ASSISTANCE PROGRAM	41
NOTE 12 - NEW GASB STANDARDS	41

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

INTRODUCTION

The Louisiana Constitution of 1974, Article V, Section 14 created the judicial districts of the State, among them the Fourth Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts, and sets forth the duties of the office. Louisiana R.S. 16:1 establishes a District Attorney for each of the Judicial District Attorney's offices. The Fourth Judicial District Attorney exists and operates in accordance with the authorities cited.

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Fourth Judicial District encompasses the parishes of Morehouse and Ouachita and their offices are located in Bastrop and Monroe.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION The accompanying basic financial statements of the District Attorney of the Fourth Judicial District have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

The schedule of expenditures of federal awards includes the federal grant activity of the District Attorney and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Uniform Grant Guidance, Audits of State, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

B. REPORTING ENTITY The District Attorney is an independent elected official; however, the district attorney is fiscally dependent on the Morehouse and Ouachita Parish Police Juries. The police juries maintain and operate the parish courthouse in which the district attorney's office is located and provides funds for equipment and furniture of the district attorney's office.

For these reasons, the district attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity, inasmuch as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita 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 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 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

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 and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.
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 District Attorney is fiscally dependent on the police jury, the District Attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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

Funds of the District Attorney are classified into two categories; governmental and fiduciary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

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. The following are the district attorney's governmental funds:

General Fund - The General Fund is the primary operating fund of the district attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines and forfeitures collected be transmitted to the District Attorney to defray the necessary expenses of that office.

Title IV-D - The Special Revenue Fund consists of federal reimbursement grants passed through the Louisiana Department of Children and Family 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 family and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Worthless Check Collection Fee - 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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

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 funds account for assets held by the district attorney in a trustee capacity or as an agent on behalf of outside parties.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the district attorney holds for others in an agency capacity. The district attorney reports the following agency funds:

Asset Forfeiture Fund - The Asset Forfeiture Fund was established for the allocation and disposition of property obtained under the provisions of Louisiana Revised Statute 40:2616. The District Attorney may (1) retain property for official use or transfer the custody to any local, state or federal agency; (2) destroy or use for investigative purposes, any illegal or controlled substances or other contraband, upon the written approval of the District Attorney after not less than twenty days after seizure; and (3) authorize a public sale without appraisal of that which is not required by law to be destroyed and which is not harmful to the public.

Property is distributed by court order first to satisfy any security interest or lien; second to reimburse expenses of seizure; and the balance shall be allocated as follows:

60% to law enforcement agency(s) making the seizure
20% to the criminal court fund
20% to District Attorney's general fund

These proceeds are to be used to further and enhance drug law enforcement. The District Attorney is required to make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. This fund is subject to public audit.

Bond Forfeiture Fund - The Bond Forfeiture Fund was established for the allocation and disposition of bonds forfeited to the District Attorney's office. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

Victim Restitution - The District Attorney holds these funds in escrow for the Court. These funds arise from restitution payments to victims. None of these funds have drug related origins, and thus are not a part of the drug asset forfeiture fund. The District Attorney maintains these funds in escrow until the courts provide orders for their disposition or otherwise directed for victim restitution.

Check Collection Fund - The Check Collection fund is used as a depository for funds collected from payments made on worthless checks. The funds are disbursed to the related merchants upon collection.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources 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, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

Program Revenues -Program revenues included in the Statement of Activities derive directly from parties outside the District Attorney's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the District Attorney's general revenues.

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgment of Forfeiture is received. Court cost and fees provided for in Louisiana Statutes are recorded as received in cash. Collection fees for worthless checks are recorded as received in cash. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenues until earned.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund and Other Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Revenues

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

Grants are recorded when the District Attorney of the Fourth Judicial District is entitled to the funds. Interest earned on investments is recorded when the investment has 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.

E. BUDGETS The district attorney uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the District Attorney of the Fourth Judicial District does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The District Attorney considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. 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 and national banks having their principal offices in Louisiana.

G. INVESTMENTS Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the district attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FUND FINANCIAL STATEMENTS)

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

In the process of aggregating data for the statement of net position interfund payables and receivables were eliminated to minimize the "grossing up" effect of assets and liabilities within the governmental activities column.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

I. CAPITAL ASSETS Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing capital assets.

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and office equipment	5 years
Computer hardware Telephone equipment s	5-10 years
Telephone equipment	10 years
Vehicles	5 years

J. COMPENSATED ABSENCES The District Attorney does not have a formal leave and sick policy. Employees working within the District Attorney's office are entitled to paid vacations, paid sick days and personal days off, depending on job classification, length of service and the applicable policies of Morehouse Parish Police Jury or Ouachita Parish Police Jury. Compensated Absences balances are monitored and paid by the applicable Parish Police Jury; therefore, no liability is established for the District Attorney.

K. 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:

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

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

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the District Attorney. Committed amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

Assigned: Fund balance that is constrained by the District Attorney's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the District Attorney.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The District Attorney reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The District Attorney considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

M. ENCUMBRANCES Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in government funds.

Based on the size of the accounts and the methods used for payments, the District Attorney does not employ encumbrance accounting.

N. 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.

O. 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.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The District Attorney has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The District Attorney has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes 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 retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY

A. Excess of Actual Expenditures Over Budgeted Expenditures in Individual Funds The following fund had actual expenditures which exceeded budgeted expenditures for the year ended December 31, 2016:

	Final Budget	Actual	Unfavorable Variance
Title IV-D	\$ 413,450	\$ 591,997	\$ (178,547)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The District Attorney’s policy does not address interest rate risk.

Credit Risk: The District Attorney’s investments are in Certificates of Deposits which do not have credit ratings; however, the District Attorney’s policy does not address credit rate risk.

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$5,102,326 and the bank balance was \$5,462,109, which includes \$3,289,338 in certificate of deposits classified as investments.

These deposits are reported as follows: Statement A - cash and cash equivalents, \$931,311, Statement A - investments \$3,289,338, Statement G – cash and cash equivalents \$881,677. Of the bank balance, \$1,470,958 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District Attorney's name. The District Attorney's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Notes to the Financial Statements
December 31, 2016**

NOTE 4 -RECEIVABLES

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

	General Fund	Title IV-D	Worthless Check Collection	Total
Fines, Fees and bond forfeitures	\$137,581	\$ -	\$ 2,022	\$ 139,603
Intergovernmental				
Federal	43,225	55,854	-	99,079
State	4,024	-	-	4,024
Total	\$184,830	\$ 55,854	\$ 2,022	\$ 242,706

The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 5 -INTERFUND RECEIVABLES/PAYABLES

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

	Due From Other Funds	Due to Other Funds
General fund	\$ 18,443	\$ -
Title IV-D	-	16,421
Worthless Check Fee	-	2,022
Total	\$ 18,443	\$ 18,443

The purpose of the interfund payable from the Title IV-D fund was to cover current-year expenditures for the cost reimbursement program until the reimbursement request is received. The purpose of the intefund payable from the worthless check fund is to cover general operating expenditures for the District Attorney's office until the collection fee is received.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

NOTE 6 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Furniture and equipment	\$ 1,307,506	\$ 66,790	\$ 96,151	\$ 1,278,145
Vehicles	590,463	27,641	77,654	540,450
Total	<u>1,897,969</u>	<u>94,431</u>	<u>173,805</u>	<u>1,818,595</u>
Less accumulated depreciation				
Furniture and equipment	1,025,586	80,548	95,851	1,010,283
Vehicles	513,146	29,012	77,654	464,504
Total	<u>1,538,732</u>	<u>109,560</u>	<u>173,505</u>	<u>1,474,787</u>
Capital assets, net	<u>\$ 359,237</u>	<u>\$ (15,129)</u>	<u>\$ 300</u>	<u>\$ 343,808</u>

Depreciation expense of \$109,560 was charged to the public safety and judicial prosecution function.

The District Attorney has an operating lease with the Ouachita Parish Police Jury for the rental of office space to operate the Title IV-D Program. The lease is renewed on an annual basis and the current year lease payments paid to the Police Jury totaled \$21,896.

NOTE 7 - PENSION PLAN

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. The System was created on August 1, 1956 by Act 56 of the 1956 session of the Louisiana Legislature, 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. The System issues a public report that includes financial statements and required supplementary information. Copies of the report for the System may be obtained at www.la.la.gov.

General Information about the Pension Plan

Plan Descriptions/Benefits Provided:

Assistant district attorneys who earn, as a minimum, an amount specified by the Louisiana District Attorney's Retirement System Board of Trustees and all district attorneys are required to participate in the System. Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of credible 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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

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 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.

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 3% (3.5% 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 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 disable 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.

Cost of Living Adjustments

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 65 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.

Deferred Retirement Option Program (DROP)

Prior to January 1, 2009, eligible members could elect to participate in the DROP for up to three years in lieu of

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

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.

Contributions

The System is financed by employee contributions established by state statute at 7% of salary for active members at June 30, 2016. In addition, the System receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement System's Actuarial Committee up to a maximum of .2% of the ad valorem taxes shown to be collected. According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. The actuarially determined employer contribution was 1.21% or \$11,322 for the year ended June 30, 2016. The District Attorney's proportionate share of the nonemployer contributions was \$105,228.

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 \$232,635 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2016, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The District Attorney's proportions of the NPL were based on projections of the District Attorney's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2016, the most recent measurement date, the District Attorney's proportions and the changes in proportion from the prior measurement date were 1.215395%, or an increase of 0.091912%.

For the year ended December 31, 2016, the District Attorney recognized a total pension expense of \$68,281. The District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ -	\$ 93,713
Net difference between projected and actual earnings on pension plan investments	178,364	-
Differences from changes in assumptions or other inputs	43,878	51,583
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,480	30,784
Total	\$ 228,722	\$ 176,080

Deferred outflows of resources related to pensions resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$ (10,946)
2018	(10,946)
2019	53,809
2020	26,239
2021	(2,757)
2022	(2,757)

Actuarial Assumptions

The total pension liability for DARS in the June 30, 2016, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.00%
Inflation Rate	2.50%
Mortality - Non-disabled	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scall AA
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table (Set back 5 years for males and 3 years for females)
Termination, Disability, Retirement	Projected based on a 5 year experience study (2009-2014)
Salary Increases	5.5%
Cost of Living Adjustments	Only those previously granted

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimates ranges of expect 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 long-term geometric expected rate of return was 9.04% as of June 30, 2016. Best estimates of real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target 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%
Total	100.00%	6.34%
Inflation		2.70%
Expected arithmetic nominal return		9.04%

Discount Rate. The discount rate used to measure the total pension liability was 7.00% at June 30, 2016. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the NPL to changes in the discount rate. The following presents the District Attorney's proportionate share of the NPL using the current discount rate as well as what the District Attorney's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1.0% Decrease	Current Discount Rate	1.0% Increase
\$ 877,838	\$ 232,635	\$ (156,874)

Pension plan fiduciary net position. Detailed information about fiduciary net position is available in the separately issued financial report referenced above.

Payables to the Pension Plan. At December 31, 2016, the District Attorney had \$0 in payables for the December 2016 employee and employer legally required contributions.

Parochial Employees' Retirement System of Louisiana

The Morehouse and Ouachita Parish Police Juries provide retirement benefits to the District Attorney's non-attorney employees through a pension plan administered by another governmental entity. The plan is the Parochial Employees' Retirement System of Louisiana (Parochial Plan). Substantially all of the non-attorney employees are members of this cost-sharing multiple-employer Public Employee Retirement System (PERS). All permanent non-attorney employees who work at least 28 hours per week and are under 60 years of age are required to become

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

members of the plan on the date of employment. Benefit provisions are established in accordance with Louisiana State Statute.

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

The District Attorney of the Fourth Judicial District does not guarantee the benefits granted by the above plans.

NOTE 8 - AGENCY FUNDS A summary of the changes in the District Attorney's agency funds is as follows:

	Balance at Beginning of year	Additions	Reductions	Balance at Ending of year
Asset Forfeiture Fund	\$ 746,006	\$ 197,600	\$ 282,737	\$ 660,869
Bond Forfeiture Fund	291	115,502	103,273	12,520
Victim Restitution Fund	190,060	108,248	152,311	145,997
Check Collection Fund	111,584	307,199	356,492	62,291
Total	\$ 1,047,941	\$ 728,549	\$ 894,813	\$ 881,677

Of the \$145,997 recorded for victim restitution fund, approximately \$131,353 is considered to be unreconciled as the District Attorney is unable to identify the individual payees.

NOTE 9 - LITIGATION AND CLAIMS

Litigation The District Attorney is involved in various legal actions and claims arising in the normal course of business. After taking into consideration the District Attorney's evaluation of such actions, it is of the opinion that their outcome will not materially affect the financial statements.

Grant Disallowances The District Attorney participates in a number of state and federally assisted programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 10 - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court funds, the Morehouse Parish Police Jury, the Ouachita Parish Police Jury, or directly by the State. Those expenditures are summarized as follows:

The Morehouse Parish Police Jury, the Ouachita Parish Police Jury and the state fund a majority portion of the attorneys and support staffs' salaries and benefits.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

The Criminal Court Fund is controlled and expended jointly between the District Attorney and the Fourth Judicial Court. The District Attorney normally expends funds for transcripts, witness fees and expert witness fees; the balance is utilized by the Fourth Judicial Court.

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE PROGRAM The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Children and Family Services.

For the year ended December 31, 2016, the District Attorney for the Fourth Judicial District expended \$591,997 for the program.

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Children and Family Services and include a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursements requests to the Department of Children and Family Services on a monthly basis.

The reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

NOTE 12 - NEW GASB STANDARDS In fiscal year 2016, the District Attorney adopted three new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 72 – Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- *Statement No. 73 – Accounting and Financial reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendment to Certain Provision of GASB Statements 67 and 68:* This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement 67 and 68 that are within their respective scopes. This statement also clarifies the application of certain provisions of Statements 67 and 68.
- *Statement No. 77 – Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2016

abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of these standards had no impact on the government-wide or the governmental fund financial statements, but provide for guidance, clarification and/or additional disclosures in the notes to the financial statements and required supplementary information related to pensions. The District Attorney currently does not collect any ad valorem taxes that would be subject to Statement No. 77.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

Exhibit 1-1

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
DARS					
2015	1.123483%	\$ 58,943	\$ 693,714	8%	98.56%
2016	1.215395%	232,635	763,575	30%	95.09%

Notes:

The amounts presented have a measurement date of June 30th.

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Exhibit 1-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
DARS					
2015	\$ 40,759	\$ 40,759	\$ -	\$ 844,556	4.83%
2016	11,322	11,322	-	600,567	1.89%

Notes:

The amounts presented were determined as of the fiscal year end.

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

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

Budgetary Comparison Schedule

GENERAL FUND accounts for all activities of the District Attorney, except for those that are accounted for in other funds.

TITLE IV-D accounts for federal grant revenues provided to establish family and child support programs compatible with Title IV-D of the Social Security Act.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Exhibit 2

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES				
Fines, fees and bond forfeitures	\$ 2,787,500	\$ 2,713,200	\$ 2,668,386	\$ (44,814)
Court cost fees	432,500	315,000	308,840	(6,160)
Interest income	21,100	16,300	15,462	(838)
Intergovernmental revenue:				
Federal	95,000	188,015	235,817	47,802
State	166,700	166,700	126,100	(40,600)
Local	88,000	226,220	214,061	(12,159)
Drug asset forfeiture	42,500	105,000	75,093	(29,907)
Collection fees	25,000	14,500	13,079	(1,421)
Other	55,500	22,000	39,775	17,775
Total revenues	3,713,800	3,766,935	3,696,613	(70,322)
EXPENDITURES				
Current				
General Government				
Personnel services	2,320,000	2,203,830	2,171,758	32,072
Contractual charges	936,000	1,018,400	1,019,853	(1,453)
Materials and supplies	329,900	382,800	264,847	117,953
Other charges	123,600	121,500	154,676	(33,176)
Capital outlay	45,000	27,650	94,431	(66,781)
Total expenditures	3,754,500	3,754,180	3,705,565	48,615
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(40,700)	12,755	(8,952)	(21,707)
FUND BALANCES - BEGINNING	4,385,125	4,385,125	4,385,125	-
FUND BALANCES - ENDING	\$ 4,344,425	\$ 4,397,880	\$ 4,376,173	\$ (21,707)

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Exhibit 3

SPECIAL REVENUE - TITLE IV-D
Budgetary Comparison Schedule
For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue:				
Federal	\$ 560,000	\$ 560,000	\$ 591,997	\$ 31,997
Total revenues	<u>560,000</u>	<u>560,000</u>	<u>591,997</u>	<u>31,997</u>
EXPENDITURES				
Current				
General Government				
Personnel services	360,000	339,986	499,590	(159,604)
Contractual charges	65,000	50,392	68,934	(18,542)
Materials and supplies	20,000	21,077	21,132	(55)
Other charges	3,000	1,995	2,341	(346)
Total expenditures	<u>448,000</u>	<u>413,450</u>	<u>591,997</u>	<u>(178,547)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>112,000</u>	<u>146,550</u>	<u>-</u>	<u>(146,550)</u>
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 112,000</u>	<u>\$ 146,550</u>	<u>\$ -</u>	<u>\$ (146,550)</u>

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2016**

A. BUDGETS

General Budget Practices The District Attorney follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year in December, the accountant prepares and submits a proposed budget to the District Attorney for review. Public hearings are conducted to obtain taxpayer comments, prior to the adoption of the budget. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the District Attorney. Legally, the District Attorney must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the District Attorney to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

B. UNFAVORABLE BUDGET VARIANCE

Actual expenditures greater than budgeted expenditures:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title IV-D	\$ 413,450	\$ 591,997	\$ (178,547)

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2016

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures.

	<u>GENERAL FUND</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "Total Revenues" from the Budgetary Comparison Schedule	\$ 3,696,613
Adjustments to agency fund accounts are not current-year revenues for financial reporting purposes	<u>(124,963)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 3,571,650</u></u>
<u>Uses/outflows of resources:</u>	
Actual amounts (budgetary basis) "Total Expenditures" from the Budgetary Comparison Schedule	\$ 3,705,565
Adjustments to agency fund accounts are not current-year expenditures for financial reporting purposes	<u>34,083</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 3,739,648</u></u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
 Parishes of Ouachita and Morehouse, Louisiana

AGENCY FUNDS
Combining Schedule of Fiduciary Assets and Liabilities
For the Year Ended December 31, 2016

Exhibit 4

	<u>ASSET FORFEITURE AGENCY FUND</u>	<u>BOND FORFEITURE AGENCY FUND</u>	<u>VICTIM RESTITUTION AGENCY FUND</u>	<u>CHECK COLLECTION AGENCY FUND</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 660,869	\$ 12,520	\$ 145,997	\$ 62,291	\$ 881,677
TOTAL ASSETS	<u>660,869</u>	<u>12,520</u>	<u>145,997</u>	<u>62,291</u>	<u>881,677</u>
LIABILITIES					
Deposits due others	660,869	12,520	145,997	62,291	881,677
TOTAL LIABILITIES	<u>\$ 660,869</u>	<u>\$ 12,520</u>	<u>\$ 145,997</u>	<u>\$ 62,291</u>	<u>\$ 881,677</u>

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

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

**Agency Head: Jerry L. Jones, District Attorney
(January 1, 2016 – October 31, 2016)**

<u>Purpose</u>	<u>Amount</u>
Salary	\$157,007
Benefits-insurance	14,662
Benefits-retirement	3,245
Per diem	200
Travel	310

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

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

**Agency Head: Robert S. Tew, Interim District Attorney
(November 1, 2016 – December 31, 2016)**

<u>Purpose</u>	<u>Amount</u>
Salary	\$24,398
Reimbursements	1,153
Travel	428

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

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Amy Tynes, CPA, CFE
Aimee Buchanan, CPA
Nicia Mercer, CPA, CFE
Principal: Cindy Thomason, CPA

Matt Carmichael, CPA
Eddi Hernandez, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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*

Independent Auditor's Report

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, 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 District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita 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's basic financial statements, and have issued our report thereon dated June 30, 2017.

Internal Control Over Financial Reporting

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

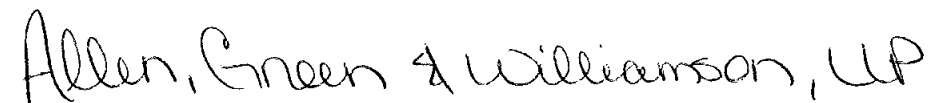
As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.

The District Attorney's Response to Findings

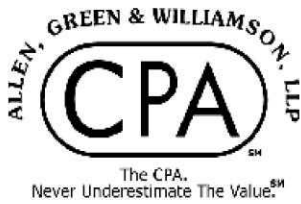
The District Attorney's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Findings and Questioned Costs. The District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2017



ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's report

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Report on Compliance for Each Major Federal Program

We have audited District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney's major federal programs for the year ended December 31, 2016. The District Attorney's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District Attorney's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District Attorney's compliance.

Opinion on Each Major Federal Program

In our opinion, the District Attorney complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.


Report on Internal Control Over Compliance

Management of the District Attorney is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2017

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>Federal CFDA#</u>	<u>Grantor/Pass Through #</u>	<u>Expenditures</u>
United States Department of Health and Human Services			
Passed Through Louisiana Department of Children & Family Services			
Title IV-D, Child Support Enforcement	93.563	CFMS#722829	\$ 591,997
Total United States Department of Health and Human Services			<u>591,997</u>
United States Department of Justice			
Passed Through Louisiana Commission on Law Enforcement & Administration of Criminal Justice			
Domestic Violence Prosecution	16.588	2015-WF-02-3199	56,352
Home Detention	16.523	2013-JB-01-2436	2,555
Victim Assistance Program 2	16.575	2015-VA-02-2905	127,609
Total United States Department of Justice			<u>186,516</u>
United States Department of Transportation			
Passed Through Louisiana Department of Public Safety and Corrections- Louisiana Highway Safety Commission			
4th Judicial District DWI Court	20.616	2016-10-22, 2017-10-22	49,301
Total United States Department of Transportation			<u>49,301</u>
Total Federal Awards			<u>\$ 827,814</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the District Attorney Of The Fourth Judicial District, (the "District Attorney") for the year ended December 31, 2016. The District Attorney reporting entity is defined in Note 1 to the District Attorney's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District Attorney, it is not intended to and does not present the financial position or change in net position of the District Attorney.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District Attorney's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the District Attorney's basic financial statements as follows:

	<u>Federal Sources</u>
Major Funds:	
General Fund	\$235,817
Title IV-D	<u>591,997</u>
	<u>\$827,814</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - DE MINIMIS INDIRECT COST RATE The District Attorney has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016**

PART I-SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. The significant deficiency was not considered to be a material weakness.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed no findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program was:
 - Title IV-D, Child Support Enforcement CFDA #93.563
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does not qualify as a low-risk auditee under the Uniform Guidance.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 2016-001 Internal Controls Over Financial Reporting

Entity-Wide or program /department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate, and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the District Attorney’s office. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate accounting period.

Condition found:

- When performing a search for unrecorded receivables at year-end, there were four exceptions noted where the deposit tested related to the audit period and was not accrued at year-end and there was one exception noted where the amount accrued at year-end was overstated in error.
- When reviewing a sample of 14 significant journal entries posted during the audit period, there were seven exceptions noted where the entry reviewed did not agree to supporting documentation and seven exceptions noted where the entry was not considered to be valid, appropriate and properly posted.
- When reviewing the bank reconciliation as of year-end for one bank account, it was noted that the reconciliation did not include a listing of checks included in the outstanding check balance on the reconciliation. Alternative audit procedures were needed to obtain assurance related to the completeness and accuracy of the reconciliation.
- When reviewing the year-end agency fund liability related to drug asset forfeitures, it was noted that the ending balance did not include interest earned on the CD’s from the date of purchase. An audit adjustment was proposed to correct.
- When reviewing the year-end agency fund liability related to bond forfeitures, it was noted that three disbursements were underpaid during the year; therefore the ending liability was understated by \$7,959. An audit adjustment was proposed to correct.
- Throughout the audit process, various adjustments were proposed to correct ending balances for interfund receivables and payables, grant receivables, local revenue, agency fund accounts and forfeiture revenue.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: The internal controls over accounting are weakened.

Recommendations to prevent future occurrences: The District Attorney should continue to strengthen internal controls over accounting within the District Attorney’s office. Furthermore, the District Attorney should work with their contract fee accountant to establish monthly and year-end close out procedures.

Origination date and prior year reference (if applicable): Origination date is December 31, 2015. See prior year finding 2015-001.

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016**

Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

View of responsible official: During 2016 we installed a new accounting software package and had some errors made in the transition process. In addition we were implementing several recommendations made by our auditors in 2016 after the 2015 audit and in the process to complete them, we made some minor bookkeeping errors.

OTHER INFORMATION

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Status of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2016**

Reference # and title: **2015-001** **Internal Controls Over Financial Reporting**

Origination date: December 31, 2015

Entity-Wide or program /department specific: This finding is entity-wide.

Condition found: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate, and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the District Attorney's office. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate accounting period.

- In testing six bank reconciliations performed during the year, it was noted that all bank reconciliations tested included old, outstanding items that needed to be investigated and cleared. These old, outstanding items included outstanding checks, deposits in transit, and miscellaneous journal entries. Furthermore, it was noted that three of the six bank reconciliations tested did not reconcile to the book balance per the general ledger history provided. Following discussions with the District Attorney's staff, they were able to perform a clean-up of the year-end bank reconciliation and prepare a journal entry to correct the year-end cash balance.
- When reviewing the trial balances provided for audit, it was noted that the accounts payable balance was a debit balance of \$180,237. Following discussions with the District Attorney's staff, it was determined that this was due to a check voided in error during the year. The auditor proposed an entry to correct the account balances at year-end.
- When performing a test of checks processed after year-end, it was noted that one check was written after year-end that was posted to cash as of year-end. This understated the cash balance at year-end by \$189,664. The auditor proposed a journal entry to correct the posting of this check from cash to accounts payable at year-end.
- When performing a test of deposits after year-end, it was noted that multiple deposits were posted to cash as of year-end although the amounts were received and deposited after year-end. The auditor proposed a journal entry of \$143,229 to correct the posting of these deposits from cash to accounts receivable at year-end.
- When testing various account balances, the auditor noted miscellaneous adjustments that were needed related to a payable posted incorrectly and revenue posted to an incorrect account. The auditor proposed an entry to correct these balances.
- When reviewing the agency fund balances for year-end reporting, it was noted that historically the District Attorney has not reported all agency fund balances for drug asset forfeitures and bond forfeitures. Furthermore, it was noted that the agency fund balances related to victim restitution and the check collection fund were reported in the governmental funds in error in the prior year. A detailed listing of the Victim restitution fund could not be provided. The beginning balance for the agency funds that was not reported in the prior year was approximately \$709,806. The total agency fund balance that was reported in the governmental funds in error in the prior year was approximately \$280,597. The auditor proposed adjustments to the financial statements to correct the reporting of these agency funds.

Corrective action planned: See current year finding 2016-001.

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Corrective Action Plan for Current Year Findings and Questioned Costs
For the Year Ended December 31, 2016**

Reference # and title: **2016-001** **Internal Controls Over Financial Reporting**

Entity-Wide or program /department specific: This finding is entity-wide.

Condition: Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate, and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the District Attorney's office. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate accounting period.

- When performing a search for unrecorded receivables at year-end, there were four exceptions noted where the deposit tested related to the audit period and was not accrued at year-end and there was one exception noted where the amount accrued at year-end was overstated in error.
- When reviewing a sample of 14 significant journal entries posted during the audit period, there were seven exceptions noted where the entry reviewed did not agree to supporting documentation and seven exceptions noted where the entry was not considered to be valid, appropriate and properly posted.
- When reviewing the bank reconciliation as of year-end for one bank account, it was noted that the reconciliation did not include a listing of checks included in the outstanding check balance on the reconciliation. Alternative audit procedures were needed to obtain assurance related to the completeness and accuracy of the reconciliation.
- When reviewing the year-end agency fund liability related to drug asset forfeitures, it was noted that the ending balance did not include interest earned on the CD's from the date of purchase. An audit adjustment was proposed to correct.
- When reviewing the year-end agency fund liability related to bond forfeitures, it was noted that three disbursements were underpaid during the year; therefore the ending liability was understated by \$7,959. An audit adjustment was proposed to correct.
- Throughout the audit process, various adjustments were proposed to correct ending balances for interfund receivables and payables, grant receivables, local revenue, agency fund accounts and forfeiture revenue.

Corrective action planned: We will carefully review all our accounting procedures related to bookkeeping, including procedures related to receivables, payables, journal entries, bank reconciliations, and disbursements. We have retained an outside CPA consultant to help us set up and review our accounting procedures and policies.

Person responsible for corrective action plan:

Steve Tew, District Attorney
District Attorney of the Fourth Judicial District
P O Box 1652
Monroe, LA 71210

Telephone 318-388-4720
Fax: 318-327-1420

Anticipated completion date: August 30, 2017



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Eddi Hernandez, CPA
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2016, we considered the District Attorney's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated June 30, 2017, on the financial statements of the District Attorney. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which has been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's response are summarized as follows:

2016-M1 Fiscal Agency Agreement

Comment: Louisiana Revised Statute 39:1214 requires an entity in a parish with a population over 100,000 to give written notice setting forth the intention of the depositing authority to select a fiscal agency. The notice should be sent to each of the banks located in the parish which embraces all or any part of the political subdivision in which the depositing authority is domiciled. When attempting to review the fiscal agency agreement in effect during the year, it was noted that the District Attorney was unable to locate an active fiscal agency agreement.

Recommendation: The District Attorney should ensure active fiscal agency contracts are in effect for the audit period, as required by Louisiana Revised Statute 39:1214.

Management's response: We will review R.S. 39:1214 and obtain the needed fiscal agency agreement in compliance with the statute.

* * * * *

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District, as of and for the year ended December 31, 2016, which collectively comprise the District Attorney's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Also included are management's responses to our current year management letter items. We have performed no audit work to verify the content of the responses.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
June 30, 2017