

BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

DISTRICT ATTORNEY OF THE FOURTEENTH
JUDICIAL DISTRICT
CALCASIEU PARISH, LOUISIANA
DECEMBER 31, 2016

CONTENTS

	PAGE
REQUIRED SUPPLEMENTAL INFORMATION – PART I	
Management’s Discussion and Analysis	6
INDEPENDENT AUDITORS' REPORTS	
Independent Auditors’ Report	15
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	19
Statement of Activities	20
Balance Sheet - Governmental Funds	21
Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to the Statement of Activities	24
Statement of Fiduciary Net Assets – Agency Funds	25
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
Budgetary Comparison Schedule – General Fund	41
Budgetary Comparison Schedule – Special Revenue Fund	42
SUPPLEMENTAL INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	44

CONTENTS

	PAGE
COMPLIANCE AND INTERNAL CONTROL	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46
Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan	48

REQUIRED SUPPLEMENTAL INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis
December 31, 2016

As management of the District Attorney of the Fourteenth Judicial District, Calcasieu Parish, Louisiana (the "District Attorney"), we offer readers of the District Attorney's financial statements this narrative overview and analysis of the financial activities of the District Attorney for the year ended December 31, 2016. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the District Attorney's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with an analysis of the District Attorney's short-term activities based on information presented in the financial report and fiscal policies that have been adopted by the District Attorney. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District Attorney's financial activity, identify changes in the District Attorney's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained in this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District Attorney's financial statements. The District Attorney's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis-Continued
December 31, 2016

1. Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the District Attorney's financial position and results of operations in a manner similar to a private-sector business.

- A. The *statement of net position* presents information on all of the District Attorney's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney is improving or weakening.
- B. The *statement of activities* presents information showing how the District Attorney's net assets change during the most recent fiscal year. All changes in assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District Attorney's assets exceeded its liabilities by \$7,024,403 and \$5,846,215 for the years ended December 31, 2016 and 2015, respectively. Of these amounts, \$6,800,018 and \$5,614,394 are unrestricted.

A portion of the District Attorney's net position (3.2% for 2016 and 4.0% for 2015) reflects its investment in capital assets (e.g., equipment, furniture, vehicles, etc.). The District Attorney used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position may be used to meet the District Attorney's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District Attorney is reporting a positive balance in both the General Fund and Special Revenue Fund net position.

District Attorney of the Fourteenth Judicial District
 Calcasieu Parish, Louisiana
 Management's Discussion and Analysis-Continued
 December 31, 2016

Government-Wide Financial Analysis – (Continued)

The analyses in Table 1 and Table 2 below focus on the summary of net position and summary of changes in net position for the District's governmental activities.

Table 1
 Summary of Net Position
 Governmental Activities

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current and other assets	\$ 7,361,255	\$ 6,242,853	\$ 1,118,402	17.91%
Capital assets, net	<u>224,385</u>	<u>231,821</u>	<u>(7,436)</u>	-3.21%
Total assets	<u>7,585,640</u>	<u>6,474,674</u>	<u>1,110,966</u>	17.16%
Current and other liabilities	272,959	81,349	191,610	235.54%
Intergovernmental payable	<u>288,278</u>	<u>547,110</u>	<u>(258,832)</u>	-47.31%
Total liabilities	<u>561,237</u>	<u>628,459</u>	<u>(67,222)</u>	-10.70%
Net position:				
Net investment in capital assets	224,385	231,821	(7,436)	-3.21%
Unrestricted	<u>6,800,018</u>	<u>5,614,394</u>	<u>1,185,624</u>	21.12%
Total net position	<u>\$ 7,024,403</u>	<u>\$ 5,846,215</u>	<u>\$ 1,178,188</u>	20.15%

The results of this year's operations for the District Attorney as a whole are reported in the Statement of Activities. Table 2, on the next page details the information from that statement and compares it to fiscal year 2015.

As reported in the Statement of Activities, the cost of all governmental activities this year was \$4,779,197. Some costs were paid by those who benefited from the programs and others were paid from monies collect on behalf of certain individual and businesses.

The Government Activities of the District Attorney include General Government. Commissions on fines and forfeitures, license fees and enrollment fees fund these government activities.

District Attorney of the Fourteenth Judicial District
 Calcasieu Parish, Louisiana
 Management's Discussion and Analysis-Continued
 December 31, 2016

Government-Wide Financial Analysis – (Continued)

Table 2 below illustrates the District Attorney's major revenue and expenditures related to those functions typically associated with governments.

Table 2
 Summary of Changes in Net Position
 Governmental Activities

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues:				
Program revenue:				
Fees, fines and charges for services	\$ 5,609,613	\$ 3,144,264	\$ 2,465,349	78.41%
General revenue:				
Interest earnings	7,552	7,209	343	4.76%
Restitution	332,387	174,523	157,864	90.45%
Gain on sale of fixed assets	-	21,000	(21,000)	-100.00%
Special item:				
Lawsuit settlement	7,833	643,970	(636,137)	-98.78%
Total revenue	<u>5,957,385</u>	<u>3,990,966</u>	<u>1,966,419</u>	49.27%
Function/Program Expenses:				
Communications and technology	79,020	58,768	20,252	34.46%
Dues	111,981	101,490	10,491	10.34%
Joint service agreements	45,563	31,349	14,214	45.34%
Legal and other professional	70,020	83,536	(13,516)	-16.18%
Office	272,313	178,025	94,288	52.96%
Overhead paid to Calcasieu Parish Jury	1,957,000	1,957,000	-	0.00%
Pretrial diversion/Victim assistance programs	1,654,584	543,196	1,111,388	204.60%
Restitution	351,825	175,854	175,971	100.07%
Travel and seminars	133,724	102,139	31,585	30.92%
Vehicles	25,312	45,826	(20,514)	-44.76%
Depreciation	77,855	81,936	(4,081)	-4.98%
Total expenses	<u>4,779,197</u>	<u>3,359,119</u>	<u>1,420,078</u>	42.28%
Change in net position	1,178,188	631,847	546,341	86.47%
Net position - beginning	<u>5,846,215</u>	<u>5,214,368</u>	<u>631,847</u>	12.12%
Net position - ending	<u>\$ 7,024,403</u>	<u>\$ 5,846,215</u>	<u>\$ 1,178,188</u>	20.15%

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis-Continued
December 31, 2016

2. Fund Financial Statements

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

A. Governmental funds are used to account for most of the District Attorney's basic services reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides. Governmental fund information helps you 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 the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 22 and 24.

The District Attorney maintains two governmental funds, the General Fund and the Special Revenue Fund. Budget information on these two funds is presented at pages 41 and 42 of this report.

B. Fiduciary funds are used to account for assets that are received and held in trust for other governmental agencies. These funds are from seizures and programs and are disbursed upon order of the court documents or program documents to the governmental agencies or returned to the defendants.

Financial Analysis of the Governmental Funds

The District Attorney's General Fund and Worthless Check Fund reported ending fund balances of \$6,656,226 and \$143,792, respectively, for the year ending 2016 and \$5,516,822 and \$97,572, respectively, for the year ending 2015.

The District Attorney retains a reasonable surplus in the General Fund for unforeseen future emergencies such as natural disasters, decrease in economic conditions, emergency capital outlay requirements, and other similar conditions.

District Attorney of the Fourteenth Judicial District
 Calcasieu Parish, Louisiana
 Management's Discussion and Analysis-Continued
 December 31, 2016

3. Capital Assets

The District Attorney's investment in capital assets for its governmental activities as of December 31, 2016 and 2015 amounted to \$224,385 and \$231,821, respectively (net of accumulated depreciation). This investment in capital assets includes equipment, automobiles, furniture, leasehold improvements, and training facilities.

Capital asset additions totaled 78,589 and \$120,507 and depreciation expense was \$77,855 and \$81,936 for the years ended 2016 and 2015.

Table 3 below shows the change in capital assets for the year ended December 31, 2016:

Table 3
 Capital Assets at Year End

	2016	2015	Increase (Decrease)
Governmental activities:			
Transportation equipment	\$ 243,168	\$ 240,802	\$ 2,366
Furniture and fixtures	250,041	237,343	12,698
Office equipment	1,101,973	1,084,864	17,109
Training course	31,978	31,978	-
Leasehold improvements	168,337	168,337	-
Total at historical cost	<u>1,795,497</u>	<u>1,763,324</u>	<u>32,173</u>
Less accumulated depreciation:			
Transportation equipment	138,074	147,472	(9,398)
Furniture and fixtures	208,972	195,883	13,089
Office equipment	1,029,305	994,452	34,853
Training course	31,978	31,978	-
Leasehold improvements	162,783	161,718	1,065
Total accumulated depreciation	<u>1,571,112</u>	<u>1,531,503</u>	<u>39,609</u>
Governmental activities capital assets, net	<u>\$ 224,385</u>	<u>\$ 231,821</u>	<u>\$ (7,436)</u>

Additional information on the District Attorney's capital assets can be found in Note 4 of this report.

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis-Continued
December 31, 2016

4. Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 39 of this report.

5. Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 40 of this report.

A. Budgetary Comparison Schedule – The District Attorney adopts an annual appropriated budget for the General Fund and Worthless Check Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget beginning on page 41.

B. Analysis of Significant Budget Variances in the General Fund:

1. Revenues:

- a. Fines, forfeitures, and program fees are estimated during the budget amendment process, which occurs during the month of November. Information regarding actual General Fund revenues becomes available only upon receipt from the disbursing agencies after year-end. Comparison of final budgetary amounts with actual amounts resulted in a favorable variance of \$35,092 related to these general revenues due to various sources providing less than anticipated during the budget process.
- b. Other revenues, including interest, provided for a favorable final budget variance of \$770 due to various sources providing less than anticipated income offset by a non-cash trade allowance associated with a public vehicle resulting in a gain on disposal of assets during the budget process.

2. Expenditures:

- a. Budget variances for expenditures result from differences between anticipated expenditures and unexpected occurrences during the year.

District Attorney of the Fourteenth Judicial District
Calcasieu Parish, Louisiana
Management's Discussion and Analysis-Continued
December 31, 2016

6. Economic Factors and Next Year's Budget

The following factors were considered in preparing the District Attorney's budget for the 2017 fiscal year:

With regards to revenues, it is anticipated that the revenues in the General Fund will decrease approximately 15% due to decreases in court costs, bond forfeiture, drug forfeiture, and pre-trial diversion revenues compared to 2016 and the Special Revenue Fund will decrease approximately 50% compared to 2016.

With regard to expenditures, it is anticipated that the expenditures in the General Fund will decrease approximately 10% due decrease in legal and professional fees, public vehicle purchases, equipment purchases and public service announcement expenses and the Special Revenue Fund will decrease approximately 50% compared to 2016.

Request for Information

This financial report is designed to provide a general overview of the District Attorney's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ginger Ieyoub, 901 Lakeshore Dr, Lake Charles, Louisiana, 70601.

INDEPENDENT AUDITORS' REPORT



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN
PHILLIP D. ABSHIRE, III
NICHOLAS J. LANGLEY
ALEXIS H. O'NEAL

INDEPENDENT AUDITORS' REPORT

Honorable John F. DeRosier
District Attorney of the
Fourteenth Judicial District
Calcasieu Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, a component unit of the Calcasieu 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. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respect, the respective financial position of the governmental activities, business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, 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 and budgetary comparison information of pages 6 through 13 and 41 and 42, respectively, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for proposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and is derived from and related 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 information 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 schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable John F. DeRosier
District Attorney of the Fourteenth Judicial District
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2017, on our consideration of the District Attorney of the Fourteenth Judicial District's internal control over financial reporting and our test 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 of the Fourteenth Judicial District's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

DeRosier, William Co., P.C.

Lake Charles, Louisiana
June 26, 2017

BASIC FINANCIAL STATEMENTS

**DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

STATEMENT OF NET POSITION

December 31, 2016

ASSETS

Cash and cash equivalents	\$ 6,483,918
Investments, certificates of deposit at fair value	542,245
Intergovernmental receivables	17,238
Lawsuit settlement receivable	300,000
Capitalized cost reduction of operating lease, net of accumulated amortization	8,750
Prepays	9,104
Capital assets, net of accumulated depreciation	<u>224,385</u>
Total Assets	<u>7,585,640</u>

LIABILITIES

Accounts payable	272,959
Intergovernmental payable	<u>288,278</u>
Total Liabilities	<u>561,237</u>

NET POSITION

Invested in capital assets	224,385
Unrestricted	<u>6,800,018</u>
Total Net Position	<u>\$ 7,024,403</u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016**

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Judicial/Prosecution	4,779,197	5,609,613	\$ -	\$ 830,416
Total Governmental Activities	\$ 4,779,197	\$ 5,609,613	\$ -	830,416
General revenues:				
				7,552
				332,387
Special item:				
				7,833
			Total general revenues and special items	347,772
			Change in net position	1,178,188
			Net position at beginning of year	5,846,215
			Net position end of year	\$ 7,024,403

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2016**

	Governmental Funds		
	General Fund	Special Revenue Fund	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 6,340,126	\$ 143,792	\$ 6,483,918
Investments, certificates of deposit at fair value	542,245	-	542,245
Intergovernmental receivable	17,238	-	17,238
Lawsuit settlement receivable	300,000	-	300,000
Capitalized cost reduction of operating lease, net	8,750	-	8,750
Prepays	9,104	-	9,104
Total Assets	\$ 7,217,463	\$ 143,792	\$ 7,361,255
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 272,959	\$ -	\$ 272,959
Intergovernmental payables	288,278	-	288,278
Total Liabilities	561,237	-	561,237
Fund Balance:			
Unassigned	6,656,226	143,792	6,800,018
Total Fund Balance	6,656,226	143,792	6,800,018
Total Liabilities and Fund Balances	\$ 7,217,463	\$ 143,792	\$ 7,361,255

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS - TO THE STATEMENT OF NET POSITION
December 31, 2016**

FUND BALANCE OF GOVERNMENTAL FUNDS	\$ 6,800,018
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital asset used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

Those assets consists of:

Cost of capital assets	\$ 1,795,497	
Less - accumulated depreciation	<u>(1,571,112)</u>	<u>224,385</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 7,024,403</u></u>
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The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2016

	Governmental Funds		
	General Fund	Special Revenue Fund	Total
Revenues:			
Fines and forfeitures	\$ 3,907,098	\$ -	\$ 3,907,098
Collection fees	19,905	163,591	183,496
Enrollment fees	954,794	-	954,794
Restitution	11,001	332,836	343,837
Other forfeitures	552,775	-	552,775
Interest	7,552	-	7,552
Total revenues	5,453,125	496,427	5,949,552
Expenditures:			
Current:			
Communications and technology	79,020	-	79,020
Dues	111,981	-	111,981
Joint service agreements	45,563	-	45,563
Legal and other professional	70,020	-	70,020
Office	272,273	40	272,313
Overhead paid to Calcasieu Parish			
Police Jury	1,847,000	110,000	1,957,000
Pretrial diversion/Victim assistance programs	1,654,584	-	1,654,584
Restitution	11,658	340,167	351,825
Travel and seminars	133,724	-	133,724
Vehicles	25,312	-	25,312
Capital outlay, net of disposals	70,419	-	70,419
Total expenditures	4,321,554	450,207	4,771,761
Excess of revenues over expenditures	1,131,571	46,220	1,177,791
OTHER FINANCING SOURCES			
Special item:			
Lawsuit settlement revenues (expenses)	7,833	-	7,833
TOTAL OTHER FINANCING SOURCES	7,833	-	7,833
Net change in fund balance	1,139,404	46,220	1,185,624
FUND BALANCES - BEGINNING OF PERIOD	5,516,822	97,572	5,614,394
FUND BALANCES - END OF PERIOD	\$ 6,656,226	\$ 143,792	\$ 6,800,018

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016**

Total net change in fund balances - governmental fund-per the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 1,185,624
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.		
Capital asset purchases, net of disposals	70,419	
Depreciation expense	<u>(77,855)</u>	<u>(7,436)</u>
Change in net position of governmental activities		<u>\$ 1,178,188</u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
December 31, 2016**

	<u>SANE</u>	<u>Bond Forfeiture</u>	<u>Asset Forfeiture</u>	<u>Gambling Forfeiture</u>	<u>Restitution</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 55,811	\$ 1,777,926	\$ -	\$ 3,860	\$ 1,837,597
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 55,811</u>	<u>\$ 1,777,926</u>	<u>\$ -</u>	<u>\$ 3,860</u>	<u>\$ 1,837,597</u>
LIABILITIES						
Due to other agencies	\$ -	\$ 55,811	\$ 1,777,926	\$ -	\$ 3,860	\$ 1,837,597
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 55,811</u>	<u>\$ 1,777,926</u>	<u>\$ -</u>	<u>\$ 3,860</u>	<u>\$ 1,837,597</u>

The accompanying notes are an integral part of this statement.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 1 – INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of Calcasieu, Louisiana.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

For the financial reporting purposes, in conformance with governmental accounting standards, the District Attorney is a part of the district court system in the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity.

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. REPORTING ENTITY – (Continued)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Police Jury financial statements would be misleading if data of the District Attorney were not included because of the nature or significance of the relationship, the District Attorney was determined to be a component unit of the Calcasieu Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Police Jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

This District Attorney's basic financial statements include both government-wide and fund financial statements.

A. *Government-Wide Financial Statements*

The District Attorney's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District Attorney accompanied by a total column, which are considered to be governmental activities. Fiduciary activities of the District Attorney are not included in these statements. They are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District Attorney's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District Attorney are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

B. Governmental Fund Financial Statements

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's functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District Attorney are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District Attorney has presented all major funds that met those qualifications

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District Attorney, are fines and forfeitures, collection fees, enrollment fees, and other forfeitures. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS – (Continued)

B. Governmental Fund Financial Statements – (Continued)

Funds of the District Attorney are as follows:

Governmental Fund Types:

General Fund

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

Special Revenue Fund

Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the District Attorney to be accounted for separately. The special revenues funds of the District Attorney of the Fourteenth Judicial District consist of the following:

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

Fiduciary Fund Type:

Agency Funds

The agency funds are used to account for assets held by the District Attorney as an agent for other funds and/or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets. These funds are used to account for drug money seizures, bond forfeitures, gambling forfeitures, restitution and the SANE program until such time as the court orders disposition of such funds to various agencies as required by law or according to the program documents. Also, from time to time the drug fund may be used to hold money as evidence until such time as the seizing agency requests the money for its purposes.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. BUDGET PRACTICE

The District Attorney utilizes the following budget practices:

1. Formal budgeting integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles.
2. On December 1st of each year, a budget for the subsequent year is prepared for the general fund and the special revenue funds.
3. The District Attorney approves the budgets and it is available for public inspection no later than fifteen days prior to the beginning of the calendar year.
4. Any budgetary amendments must be approved by the District Attorney. During the year an amendment was made to the original budgets and is reflected in the budget comparison.
5. All budgetary appropriations lapse at year end.
6. The District Attorney does not use encumbrance accounting in the General Fund or Special Revenue Funds.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. All capital assets are depreciated using the straight-line method over useful lives of five to seven years. Since surplus assets are sold for an immaterial amount when declared no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes.

Capital assets used in the District Attorney's office (governmental fund type operations) acquired by the Calcasieu Parish Police Jury are accounted for by the Calcasieu Parish Police Jury.

G. COMPENSATED ABSENCES

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

Employees of the District Attorney's office accrue vacation leave at varying rates according to years of continuous service. Unused vacation leave is accumulated and carried forward from one year to the next up to a maximum of sixty days total, and then it must be used or forfeited. Upon termination of employment, an employee will be compensated for accumulated vacation time not to exceed twenty-five days, on parish portion of salary only.

Employees of the District Attorney's office accrue 12 days of sick leave each year. Sick leave may be accumulated and carried forward from one year to the next up to a maximum of 180 days. No payment is made for accumulated sick leave upon termination of employment.

Employee benefits are paid from the Calcasieu Parish Police Jury. Accordingly, no liabilities are accrued in the District Attorney's General Fund with respect to employee benefits.

H. ESTIMATES

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

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

I. FUND EQUITY

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District Attorney is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Attorney. These 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 (ordinance or resolution) that was employed when the funds were initially committed.
- Assigned: This classification includes amounts that are constrained by the District Attorney's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Attorney or through the District Attorney delegating this responsibility to the District Attorney's manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes the residual fund balance for the General Fund

The District Attorney typically use restricted fund balance first, followed by committed, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

J. RECLASSIFICATION

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 3 – CASH AND INVESTMENTS

As reflected in the accompanying statements, including the agency funds of \$1,837,597, the District Attorney had cash totaling \$8,321,515, and investments totaling \$542,245, at December 31, 2016. The cash of \$8,321,515 consisted of \$4,848,047 in interest bearing demand deposits and \$3,473,468 in money market accounts. Cash and investments (certificates of deposit) are stated at cost, which approximates market. These deposits (or the resulting bank balance) and investments must be secured under state law by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank (GASB Category 3) in a holding or custodial bank that is mutually acceptable to both parties. The deposits (bank balance) and investments at December 31, 2016, were secured as follows:

Bank Balance	\$ 8,501,771	Federal Deposit Insurance	\$ 750,000
Investments (CD's)	542,245	Pledge Securities	8,623,418
	<u>\$ 9,044,016</u>		<u>\$ 9,373,418</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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. All of the certificates of deposit mature at various dates through June 2017.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 4 – CAPITAL ASSETS

A summary of changes in Capital assets follows:

	Balance 1/1/2016	Additions	Deletions	Transfers	Balance 12/31/2016
Governmental activities:					
Transportation equipment	\$ 240,802	\$ 48,782	\$ (46,416)	\$ -	\$ 243,168
Furniture and fixtures	237,343	12,698	-	-	250,041
Office equipment	1,084,864	17,109	-	-	1,101,973
Training course	31,978	-	-	-	31,978
Leasehold improvements	168,337	-	-	-	168,337
Total at historical cost	<u>1,763,324</u>	<u>78,589</u>	<u>(46,416)</u>	<u>-</u>	<u>1,795,497</u>
Less accumulated depreciation:					
Transportation equipment	147,472	28,848	(38,246)	-	138,074
Furniture and fixtures	195,883	13,089	-	-	208,972
Office equipment	994,452	34,853	-	-	1,029,305
Training course	31,978	-	-	-	31,978
Leasehold improvements	161,718	1,065	-	-	162,783
Total accumulated depreciation	<u>1,531,503</u>	<u>77,855</u>	<u>(38,246)</u>	<u>-</u>	<u>1,571,112</u>
Governmental activities capital assets, net	<u><u>\$ 231,821</u></u>	<u><u>\$ 734</u></u>	<u><u>\$ (8,170)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 224,385</u></u>

Depreciation was charged to governmental functions in the amount of \$77,854 for the year ended December 31, 2016. The entity had no infrastructure assets as of December 31, 2016.

NOTE 5 – PENSION PLANS

Pension Plan for District Attorney and Assistant District Attorneys:

Plan Description - 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.

Pension expenditures are paid by the Calcasieu Parish Police Jury's Criminal Court Fund. Accordingly, no expenditures have been recorded in the District Attorney's funds with respect to pension benefits.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 5 – PENSION PLANS – (Continued)

Assistant District Attorneys who earn, as a minimum, the amount paid by the state for assistant District Attorneys and are under the age of 60 at the time of original employment and all District Attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provision, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 per cent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 per cent of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service regardless of age. The normal retirement benefit is equal to 3.5 percent 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 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The system also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy - Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Criminal Court Fund is required to contribute at an actuarially determined rate. For the period January 1, 2016 to June 30, 2016 the rate was 3.5 percent and for the period July 1, 2016 to December 31, 2016 the rate was -0- percent. Contributions to the System also include 0.2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Calcasieu Parish Police Jury's Criminal Court Fund contributions to the System for the years ending December 31, 2016, 2015, and 2014, were \$16,778, \$43,622, and \$62,346, respectively, equal to the required contributions for each year.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 5 – PENSION PLANS – (Continued)

Pension Plan (Other Than District Attorneys):

Plan Description. Effective April 1, 1997, certain employees became members of the Parochial Employees Retirement System of Louisiana. Substantially all employees, with the exception of the District Attorney and assistant District Attorneys, of the District Attorney of the Fourteenth Judicial District are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing multiple-employer (defined benefit), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Attorney are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Act 584 of 2006 implemented a new plan of benefits that includes changes in age requirements for members hired after January 1, 2007. Under the new plan, in order to qualify for normal retirement, employees are required to be 67 with 7 years of service or 62 with 10 years of service or 55 with 30 years of service. The benefit is calculated using the final five years of average compensation. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980.

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

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

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 5 – PENSION PLANS – (Continued)

Funding Policy – Plan members are required by statute to contribute 9.5 percent of their annual covered salary and the District Attorney of the Fourteenth Judicial District is required to contribute at an actuarially determined rate. For the period January 1, 2016 to June 30, 2016 the rate was 14.5 percent and for the period July 1, 2016 to December 31, 2016 the rate was 13.0 percent. Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney of the Fourteenth Judicial District's contributions to the System paid by the Policy Jury for the years ending December 31, 2016, 2015, and 2014 were \$340,127, \$372,084, and \$403,584 respectively, equal to the required contributions for the year.

NOTE 6 – LITIGATION SETTLEMENT

During 2015, the District Attorney, Louisiana State Police and Louisiana Attorney General were awarded a settlement from a criminal case in the amount of \$1,200,000. As outlined by the court order, the settlement is to be collected in three equal installments bearing interest at the rate of 3.0 percent. Each of the three agencies are to be reimbursed for their costs of investigation and prosecution, then the balance is to be equally distributed to each of the three agencies.

The amount collected in 2015 was \$400,000 of which \$355,622 was distributed as reimbursement of the costs to the District Attorney since they incurred all of the costs for investigation and prosecution of the case. The remaining balance of \$44,378 was evenly distributed to each of the three agencies during 2015. The amount collected in 2016 was \$428,000 of which \$133,333 was distributed to the Louisiana State Police and \$133,333 was distributed to the Louisiana Attorney General. The Louisiana Attorney General has returned their portion and have declined any further payments, therefore the amount will be held by the District Attorney's office and distributed between themselves and the Louisiana State Police in 2017. On May 12, 2017 the agreement amount was reduced for the third and final payment required from the original settlement of \$400,000 to \$300,000. This final payment will be split between the District Attorney and the Louisiana State Police. Reported in the financial statements is the outstanding lawsuit receivable in the amount of \$300,000 along with a note payable to the Louisiana State Police for their proportionate share of the outstanding award in the amount of \$288,278.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

NOTE 7 – LEASES

The District Attorney has leased automobiles and equipment, which are classified as operating leases. In 2015, the District Attorney entered into three leases in which they made down payments totaling \$21,000. This cost will be amortized over the life of the lease and is reported on the statement of net position as capitalized cost reduction of operating lease, net of accumulated amortization. Lease expense for the year ended December 31, 2016 was \$37,393. Future minimum lease payments over the remaining terms of the leases are as follows:

<u>Year Ending</u>	<u>Lease Payments</u>	<u>Capitalized Cost Reduction</u>	<u>Total Lease Expense</u>
2017	\$ 37,287	\$ 7,000	\$ 44,287
2018	20,646	1,750	22,396
2019	15,605	-	15,605
2020	15,605	-	15,605
2021	3,901	-	3,901
	<u>\$ 93,044</u>	<u>\$ 8,750</u>	<u>\$ 101,794</u>

NOTE 8 – LITIGATION AND CLAIMS

At December 31, 2016, the District Attorney of the Fourteenth Judicial District was involved in pending litigation for which unfavorable outcomes are unlikely.

NOTE 9 – RELATED PARTY TRANSACTIONS

The District Attorney reimburses the CPPJ for the cost of providing the District Attorney with salaries, payroll taxes, insurances, and other services. Amounts reimbursed to the CPPJ are quasi-external transactions, and as such, are expensed during the period incurred. Amounts reimbursed to the CPPJ for the year ended December 31, 2016 was \$1,957,000.

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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 funds of the criminal court, the parish police jury, or directly by the state.

Expenditures classified as “Overhead paid to Calcasieu Parish Police Jury” recorded in the accompanying basic financial statements in the General Fund and Special Revenue Fund are reimbursements of certain overhead costs such as salaries and related benefits and other items paid by the Calcasieu Parish Police Jury Criminal Court Fund.

NOTE 11 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	SANE Fund	Bond Forfeiture Fund	Asset Forfeiture Fund	Gambling Forfeiture Fund	Restitution Fund
Unsettled deposits beginning of year	\$ -	\$ 31,524	\$ 1,119,227	\$ 47,853	\$ 5,288
Additions	101,000	306,650	3,479,895	-	173,430
Reductions	(101,000)	(282,363)	(2,821,196)	(47,853)	(174,858)
Unsettled deposits end of year	<u>\$ -</u>	<u>\$ 55,811</u>	<u>\$ 1,777,926</u>	<u>\$ -</u>	<u>\$ 3,860</u>

NOTE 12 – RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

NOTE 13 – SUBSEQUENT EVENTS

The management of the District Attorney of the Fourteenth Judicial District has evaluated its December 31, 2016 financial statements for subsequent events through June 26, 2017, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
General:				
Fines and forfeitures	\$ 2,002,500	\$ 3,976,050	\$ 3,907,098	\$ (68,952)
Collection fees	50,000	19,880	19,905	25
Enrollment fees	1,065,000	1,005,000	954,794	(50,206)
Other forfeitures	100,000	410,000	552,775	142,775
Other:				
Restitution	-	11,000	11,001	1
Interest	6,500	6,950	7,552	602
Total revenues	3,224,000	5,428,880	5,453,125	24,245
Expenditures:				
Current:				
Communications and technology	61,200	88,000	79,020	8,980
Dues	80,000	106,460	111,981	(5,521)
Joint service agreements	9,000	9,000	45,563	(36,563)
Legal and other professional	138,000	115,514	70,020	45,494
Office	386,885	322,840	272,273	50,567
Overhead paid to Calcasieu Parish				
Police Jury	1,847,000	1,847,000	1,847,000	-
Pretrial diversion/Victim assistance programs	512,000	1,518,000	1,654,584	(136,584)
Restitution	-	11,000	11,658	(658)
Travel and seminars	115	121,000	133,724	(12,724)
Vehicles	-	40,590	25,312	15,278
Capital outlay	25,000	60,000	70,419	(10,419)
Total expenditures	3,059,200	4,239,404	4,321,554	(82,150)
Excess (deficiency) of revenues over expenditures	164,800	1,189,476	1,131,571	(57,905)
OTHER FINANCING SOURCES				
Special item:				
Lawsuit settlement revenues (expenses)	-	(36,117)	7,833	43,950
TOTAL OTHER FINANCING SOURCES	-	(36,117)	7,833	43,950
Net change in fund balance	164,800	1,153,359	1,139,404	(13,955)
FUND BALANCES - BEGINNING OF PERIOD	5,516,822	5,516,822	5,516,822	-
FUND BALANCES - END OF PERIOD	\$ 5,681,622	\$ 6,670,181	\$ 6,656,226	\$ (13,955)

**DISTRICT ATTORNEY OF THE FOURTEENTH DISTRICT
PARISH OF CALCASIEU, LOUISIANA**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE (GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Collection fees	\$ 149,990	\$ 150,010	\$ 163,591	\$ 13,581
Restitution	100,000	365,500	332,703	(32,797)
Interest	150	175	133	(42)
Total revenues	250,140	515,685	496,427	(19,258)
Expenditures:				
Current:				
Office	50	52	40	12
Restitution	129,900	365,500	340,167	25,333
Overhead paid to Calcasieu Parish				
Police Jury	110,100	110,000	110,000	-
Total expenditures	240,050	475,552	450,207	25,345
Excess of revenues over expenditures	10,090	40,133	46,220	6,087
FUND BALANCES - BEGINNING OF PERIOD	<u>97,572</u>	<u>97,572</u>	<u>97,572</u>	<u>-</u>
FUND BALANCES - END OF PERIOD	<u>\$ 107,662</u>	<u>\$ 137,705</u>	<u>\$ 143,792</u>	<u>\$ 6,087</u>

SUPPLEMENTAL INFORMATION

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD
For the Year Ended December 31, 2016

Agency Head Name: John F. DeRosier

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 192,611
Benefits - insurance	13,035
Benefits - retirement	3,371
Benefits- other	807
Auto lease	15,299
Auto insurance	3,260
Cellular and internet services	1,942
Conference lodging and meals	633
Dues and subscriptions	1,105
Fuel	1,987
LDAA travel	3,155
Other	577
	<u>\$ 237,782</u>

COMPLIANCE AND INTERNAL CONTROL



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 4690
LAKE CHARLES, LOUISIANA 70606-4690
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
PHILLIP D. ABSHIRE, JR.
DAPHNE BORDELON BERKEN
PHILLIP D. ABSHIRE, III
NICHOLAS J. LANGLEY
ALEXIS H. O'NEAL

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

Honorable John F. DeRosier
District Attorney of the
Fourteenth Judicial District
Calcasieu Parish, 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, the business-type activities and the aggregate remaining fund information of the District Attorney of the Fourteenth Judicial District, a component unit of the Calcasieu 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 26, 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 over financial reporting 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan that we consider to be significant deficiencies.

Item 01 – 16 (IC)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

District Attorney of the Fourteenth Judicial District's Response to Findings

District Attorney's response to the findings identified in our audit is described in the accompanying Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan. 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

Gayle, Walker & Co., P.C.

June 26, 2017

District Attorney of the Fourteenth Judicial District
Parish of Calcasieu, Louisiana

SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT
FINDINGS AND CORRECTIVE ACTION PLAN

December 31, 2016

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes X No

Significant deficiency identified not considered
to be material weaknesses?

 X Yes None reported

Noncompliance material to financial statements
noted?

 Yes X No

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
Parish of Calcasieu, Louisiana
Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Current year (12/31/16)						
Internal Control: 01 -16 (IC)	Unknown	The District Attorney did not have adequate segregation of duties within the accounting system.	NA	The Calcasieu Parish District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.	Ginger Ieyoub	NA
Compliance:	There were no matters involving compliance to be reported.					

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
Parish of Calcasieu, Louisiana
Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
For the Year Ended December 31, 2015

Prior year (12/31/15)

Internal Control:
 01 - 15 (IC)

Unknown

The District Attorney did not have adequate segregation of duties within the accounting system.

NA

The Calcasieu Parish District Attorney's management has determined that it is not cost effective to achieve complete segregation of duties in the accounting department. They have, however, segregated as many duties as possible. No plan is considered necessary.

Ginger
 Ieyoub

NA

Compliance:

There were no matters involving compliance to be reported.