

**DISTRICT ATTORNEY OF THE  
TWELFTH JUDICIAL DISTRICT**  
Avoyelles Parish, Louisiana

Financial Report

Year Ended December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Charles A. Riddle, III  
District Attorney of the Twelfth Judicial District  
Avoyelles Parish, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Twelfth Judicial District (hereinafter, "District Attorney"), Avoyelles Parish, Louisiana, a component unit of the Avoyelles 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 of material misstatement.

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

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 32 through 33 and the employer's share of net pension liability and employer contributions on pages 34 through 35 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 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.

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

Marksville, Louisiana  
June 27, 2017

## **BASIC FINANCIAL STATEMENTS**

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Statement of Net Position  
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 42,074
Receivables, net	138,129
Capital assets, net	<u>582,212</u>
Total assets	<u>762,415</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>282,359</u>
LIABILITIES	
Cash overdraft	27,132
Accounts payables	17,726
Accrued liabilities	18,865
Due to other governments	600
Net pension liability	<u>215,199</u>
Total liabilities	<u>279,522</u>
DEFERRED INFLOWS OF RESOURCES	<u>98,103</u>
NET POSITION	
Net investment in capital assets	582,212
Unrestricted	<u>84,937</u>
Total net position	<u>\$ 667,149</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Statement of Activities  
For the Year Ended December 31, 2016

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government -				
Judicial	<u>\$1,976,383</u>	<u>\$ 680,667</u>	<u>\$ 1,122,525</u>	<u>\$(173,191)</u>
				General revenues:
				Non-employer contributions
				60,001
				Miscellaneous
				<u>31,877</u>
				Total general revenues
				<u>91,878</u>
				Change in net position
				(81,313)
				Net position - January 1, 2016, as restated
				<u>748,462</u>
				Net position - December 31, 2016
				<u>\$ 667,149</u>

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



**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

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

### **Special Revenue Funds**

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

#### **Title IV-D Fund**

Services, authorized by Act 117 of 1975, to establish family and child support programs comparable with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

### **Fiduciary Fund**

#### **Asset Forfeiture Fund**

The Asset Forfeiture Fund is used to account for assets that the District Attorney holds for others in an agency capacity.

#### **Worthless Check Collection Fee Fund**

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2016

	General	Title IV-D	Total
ASSETS			
Cash and interest-bearing deposits	\$ 42,074	\$ -	\$ 42,074
Receivables, net	114,141	23,988	138,129
Due from other funds	23,988	-	23,988
Total assets	\$ 180,203	\$ 23,988	\$ 204,191
LIABILITIES AND FUND BALANCE			
Liabilities:			
Cash overdraft	\$ 27,132	\$ -	\$ 27,132
Accounts payable	17,726	-	17,726
Accrued liabilities	18,865	-	18,865
Due to other governments	600	-	600
Due to other funds	-	23,988	23,988
Total liabilities	64,323	23,988	88,311
Fund balance:			
Unassigned	115,880	-	115,880
Total liabilities and fund balances	\$ 180,203	\$ 23,988	\$ 204,191

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Total fund balance for governmental funds at December 31, 2016		\$ 115,880
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 76,500	
Buildings and improvements, net of \$ 374,607 accumulated depreciation	485,484	
Furniture and equipment, net of \$ 195,651 accumulated depreciation	<u>20,228</u>	582,212
The deferred outflows of expenditures for pensions are not a use of current resources and, therefore, are not reported in the funds.		282,359
Long-term liabilities at December 31, 2016:		
Net pension liability		(215,199)
The deferred inflows of contributions for pensions are not available resources and, therefore, are not reported in the funds.		<u>(98,103)</u>
Net position at December 31, 2016		<u>\$ 667,149</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

	General	Title IV-D	Total
Revenues:			
Fees, services, and commissions	\$ 680,667	\$ -	\$ 680,667
Intergovernmental revenues-			
Federal	53,178	308,877	362,055
State	30,000	-	30,000
Local	114,245	-	114,245
On-behalf payments	616,225	-	616,225
Other revenues	31,877	-	31,877
Total revenues	1,526,192	308,877	1,835,069
Expenditures:			
Current -			
General government - judicial			
Personnel services and related benefits	1,346,208	233,802	1,580,010
General insurance	5,661	3,276	8,937
Association dues	68,357	4,467	72,824
Conventions and meetings	15,674	150	15,824
Miscellaneous	54,715	3,376	58,091
Office supplies	26,919	29,792	56,711
Postage	8,460	1,695	10,155
Professional services	14,314	7,109	21,423
Repairs and maintenance	12,710	1,336	14,046
Rental expense	8,002	20,000	28,002
Utilities	16,602	3,874	20,476
Capital outlay	7,512	-	7,512
Total expenditures	1,585,134	308,877	1,894,011
Net change in fund balances	(58,942)	-	(58,942)
Fund balance, beginning, as restated	174,822	-	174,822
Fund balance, ending	\$ 115,880	\$ -	\$ 115,880

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Total net change in fund balance for the year ended December 31, 2016 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$(58,942)
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 7,512	
Depreciation expense for the year ended December 31, 2016	<u>(28,930)</u>	(21,418)
Because some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.		
Non-employer contributions		60,001
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Pension expense		<u>(60,954)</u>
Total change in net position for the year ended December 31, 2016 per Statement of Activities		<u>\$(81,313)</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

	<u>Asset Forfeiture</u>	<u>Worthless Check</u>
ASSETS		
Cash	<u>\$ 29,565</u>	<u>\$ -</u>
LIABILITIES		
Due to others	<u>\$ 29,565</u>	<u>\$ -</u>

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

The accompanying financial statements of the District Attorney of the Twelfth Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note.

A. Financial Reporting Entity

These financial statements only include funds and activities that are controlled by the District Attorney as an independently elected parish official. Based on the criteria established by Government Accounting Standards Board (GASB) Statement No. 14, the District Attorney is a component unit of the Avoyelles Parish Police Jury, primary government (Police Jury). The District Attorney is fiscally dependent on the Police Jury since the Police Jury pays certain salaries and operating expenditures of the District Attorney. 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 Police Jury financial reporting entity.

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



DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

The District Attorney reports the following major governmental funds:

General Fund –

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

Special Revenue Fund –

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

In addition, the District Attorney reports the following funds:

Fiduciary Funds –

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

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

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

C. Measurement Focus/Basis of Accounting

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Measurement Focus

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

Basis of Accounting

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

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

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

Program revenues

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Receivables

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

Interfund receivables and payables

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Buildings and improvements	39 years
Furniture and equipment	5-10 years

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate of one day per calendar month of employment and may not exceed twenty days. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. At December 31, 2016, the District Attorney has no accumulated leave benefits required to be reported.

Deferred Outflows or Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. As of December 31, 2016, the District Attorney's deferred outflows of resources and deferred inflows of resources are attributable to the pension plan.

Equity Classifications

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

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund statements, governmental equity is classified as fund balances. Fund balances of the governmental funds are classified as follows:

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

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

E. Interfund Transfers

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

F. Use of Estimates

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District Attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District Attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2016, the District Attorney had cash and interest-bearing deposits (book balances) totaling \$44,507 as shown in the table below:

	Governmental Activities	Fiduciary Fund	Total
Cash	\$ (8,783)	\$ 29,565	\$ 20,782
Interest-bearing deposits	23,725	-	23,725
Total	\$ 14,942	\$ 29,565	\$ 44,507

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Attorney's deposits may not be recovered or the District Attorney will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 District Attorney or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2016 totaling \$79,700 were fully insured and therefore not exposed to custodial credit risk.

(3) Receivables

Receivables in the amount of \$138,129 at December 31, 2016 consisted of the following:

	General Fund	Special Revenue Funds	Total
Other governments	\$ 114,141	\$ -	\$ 114,141
State of Louisiana	-	23,988	23,988
	\$ 114,141	\$ 23,988	\$ 138,129

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

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

	<u>Balance</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2016</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 76,500	\$ -	\$ -	\$ 76,500
Capital assets being depreciated -				
Building and improvements	860,091	-	-	860,091
Furniture and equipment	<u>208,367</u>	<u>7,512</u>	-	<u>215,879</u>
Total	<u>1,144,958</u>	<u>7,512</u>	-	<u>1,152,470</u>
Less accumulated depreciation -				
Buildings and improvements	352,554	22,053	-	374,607
Furniture and equipment	<u>188,774</u>	<u>6,877</u>	-	<u>195,651</u>
Total	<u>541,328</u>	<u>28,930</u>	-	<u>570,258</u>
Governmental activities, capital assets, net	<u>\$ 603,630</u>	<u>\$ (21,418)</u>	<u>\$ -</u>	<u>\$ 582,212</u>

Depreciation expense of \$28,930 was charged to the judiciary function.

(5) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Year Ended December 31, 2016</u>			<u>Unsettled</u> <u>Deposits</u> <u>at End</u> <u>of Year</u>
	<u>Unsettled</u> <u>Deposits</u> <u>at Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Reductions</u>	
Agency Fund:				
Asset Forfeiture Fund	\$ 8,606	\$ 35,895	\$ 14,936	\$ 29,565
Worthless Check Fund	-	<u>49,314</u>	<u>49,314</u>	-
Total	<u>\$ 8,606</u>	<u>\$ 85,209</u>	<u>\$ 64,250</u>	<u>\$ 29,565</u>



DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Employee Retirement Systems

The District Attorney participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all District Attorney employees participate in one of the following retirement systems:

**Plan Descriptions:**

Parochial Employees' Retirement System (PERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1901 and 11:1941. The Government participates in Plan B.

District Attorneys' Retirement System (DARS) provides retirement, disability, and survivor benefits to district attorneys, assistant district attorneys, and employees of the Louisiana District Attorneys' Association and their beneficiaries as defined in the Louisiana Revised Statutes. Eligibility for retirement benefits and the computation of retirement benefits are defined in LRS 11:1632-1633.

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>PERS</u>	<u>DARS</u>
Final average salary	Final average compensation	Final average compensation
Years of service required and/or age eligible for benefits	30 years of any age 25 years age 55 <sup>1</sup> 10 years age 60 <sup>1</sup> 7 years age 65 <sup>1</sup>	30 years of any age 24 years age 55 <sup>2</sup> 10 years age 60 <sup>2</sup>
Benefit percent per years of service	3.00%	3.0% - 3.5% <sup>2</sup>

<sup>1</sup> Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67

<sup>2</sup> Joined plan after July 1, 1990

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended December 31, 2016 for the defined benefit pension plans in which the District Attorney is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Non-employer Contributing Entities</u>	<u>Amount of District Attorney Contributions</u>
PERS	3.00%	8.00%	\$ 6,504	\$ 41,239
DARS	8.00%	0.00%	53,497	6,736

**Net Pension Liability**

The District Attorney's net pension liability at December 31, 2016 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the District Attorney is a participating employer. The District Attorney's net pension liability for each plan was measured as of the plan's measurement date (December 31, 2015 for PERS and June 30, 2016 for DARS) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorney's proportionate share of the net pension liability for each of the plans in which it participates was based on the District Attorney's required contributions in proportion to total required contributions for all employers.

As of the most recent measurement date, the District Attorney's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
PERS	\$ 96,929	0.544404%	-0.030663%
DARS	<u>118,270</u>	0.617896%	0.059882%
Total	<u>\$ 215,199</u>		

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was December 31, 2015 for PERS and June 30, 2016 for DARS, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District Attorney's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

PERS - <http://www.persla.org/>  
DARS - <http://ladars.org/>

**Actuarial Assumptions**

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	PERS	DARS
Date of experience study on which significant assumptions are based	1/1/2006 - 12/31/2010	7/1/2009 - 6/30/2014
Expected remaining service lives	4	7
Inflation Rate	2.50%	2.5%
Projected salary increases	2.75%	3.0%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(2), (4)

- (1) RP-2000 Employee Sex Distinct Table for selected employees
- (2) RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females
- (3) RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries
- (4) RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Table Projected to 2032 for males using Scale AA and set back 1 year and Projected to 2032 for females using Scale AA

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

**Cost of Living Adjustments**

The pension plans in which the District Attorney participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state system (LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to the funded status and interest earnings.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (PERS and DARS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

**Discount Rate**

The discount rates used to measure the District Attorney's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	PERS	DARS
Discount rate	7.00%	7.00%
Change in discount rate from prior valuation	(0.25%)	(0.25%)
Plan cash flow assumptions	(1)	(1)
Rates incorporated in the Discount Rate:		
Long-term Rate of Return	7.55%	9.04%
Periods applied	All	All
Municipal Bond Rate	N/A	N/A

**\*Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

The discount rates used to measure the District Attorney's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For DARS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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 and an adjustment for the effect of rebalancing/diversification. For PERS, the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following table:

Asset Class	PERS		DARS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	34.0%	1.06%	33.0%	2.26%
Equities	51.0%	3.56%	57.7%	3.56%
Alternative Investments	12.0%	0.74%	4.8%	0.50%
Real Assets	3.0%	0.19%	4.5%	0.02%
Total	100%		100%	

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2016, the District Attorney recognized \$108,929 in pension expense related to all defined benefit plans in which it participates.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 65,939
Changes of assumptions	34,960	26,224
Net difference between projected and actual earnings on pension plan investments	197,473	-
Change in proportion and differences between employer contributions and proportionate share of contributions	8,687	5,939
Employer contributions subsequent to the measurement date	<u>41,239</u>	<u>-</u>
Total	<u>\$ 282,359</u>	<u>\$ 98,102</u>

Deferred outflows of resources of \$41,239 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2017	\$ 23,165
2018	23,165
2019	61,392
2020	36,050
2021	(379)
Thereafter	<u>(375)</u>
	<u>\$ 143,018</u>

**Sensitivity of the District Attorney's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:**

The following presents the District Attorney's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the District Attorney's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
PERS	7.00%	\$ 286,265	\$ 96,929	\$ (62,754)
DARS	7.00%	<u>446,285</u>	<u>118,270</u>	<u>(79,753)</u>
Total		<u>\$ 732,550</u>	<u>\$ 215,199</u>	<u>\$ (142,507)</u>

(7) Risk Management

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

(8) On-Behalf Payments for Fringe Benefits and Salaries

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

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

General Fund:	
State of Louisiana	\$ 365,000
Avoyelles Parish Police Jury	<u>251,226</u>
Total on-behalf payments	<u>\$ 616,226</u>

(9) Compensation, Benefits and Other Payments to District Attorney

A detail of compensation, benefits and other payments paid to District Attorney Charles A. Riddle III for the year ended December 31, 2016 are as follows:

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Purpose	Amount
Salary	\$ 98,271
Benefits - payroll taxes	1,425
Benefits - insurance	10,558
Benefits - retirement	1,720
Cell Phone	1,970
Registration fees	725
Per Diem	733
Travel	3,529
Other	182
Total	\$ 119,113

(10) Litigation

At December 31, 2016, there is no litigation pending against the District Attorney.

(11) Prior Period Adjustment/Correction of an Error

The District Attorney of the 12<sup>th</sup> Judicial District has determined that certain transactions were incorrect in a prior year. Certain errors resulting from an understatement of accounts payable were discovered in the current year. The following schedule reconciles December 31, 2015 net position as previously reported to beginning net position, as restated, as a result of the correction of an error described above:

December 31, 2015 net position, as report	\$ 761,832
Prior period adjustment	
Correction of an error	(13,370)
December 31, 2015 net position, as restated	\$ 748,462



**REQUIRED  
SUPPLEMENTARY INFORMATION**

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

General Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2016

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Fees, services, and commissions	\$ 655,959	\$ 731,035	\$ 680,667	\$ (50,368)
Intergovernmental revenue-				
Federal	53,178	53,178	53,178	-
State	30,000	30,000	30,000	-
Local	72,422	49,122	114,245	65,123
On-behalf payments	692,670	657,670	616,225	(41,445)
Other revenues	28,002	28,002	31,877	3,875
Total revenues	<u>1,532,231</u>	<u>1,549,007</u>	<u>1,526,192</u>	<u>(22,815)</u>
Expenditures:				
Current -				
General government - judicial				
Personnel services and related benefits	1,354,736	1,338,503	1,346,208	(7,705)
General insurance	5,697	5,629	5,661	(32)
Association dues	68,790	67,966	68,357	(391)
Conventions and meetings	15,773	15,584	15,674	(90)
Miscellaneous	55,062	54,402	54,715	(313)
Office supplies	27,090	26,765	26,919	(154)
Postage	8,514	8,412	8,460	(48)
Professional services	14,405	14,232	14,314	(82)
Repairs and maintenance	12,791	12,637	12,710	(73)
Rental expense	8,053	7,956	8,002	(46)
Utilities	16,707	16,507	16,602	(95)
Capital outlay	7,560	7,469	7,512	(43)
Total expenditures	<u>1,595,178</u>	<u>1,576,062</u>	<u>1,585,134</u>	<u>(9,072)</u>
Net change in fund balance	(62,947)	(27,055)	(58,942)	(31,887)
Fund balance, beginning, as restated	<u>174,822</u>	<u>174,822</u>	<u>174,822</u>	<u>-</u>
Fund balance, ending	<u>\$ 111,875</u>	<u>\$ 147,767</u>	<u>\$ 115,880</u>	<u>\$ (31,887)</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues				
Federal grants	<u>\$ 302,496</u>	<u>\$ 302,496</u>	<u>\$ 308,877</u>	<u>\$ 6,381</u>
Expenditures:				
Current -				
General government - judicial:				
Personnel services and related benefits	228,972	228,972	233,802	(4,830)
General insurance	3,208	3,208	3,276	(68)
Association dues	4,375	4,375	4,467	(92)
Conventions and meetings	147	147	150	(3)
Miscellaneous	3,306	3,306	3,376	(70)
Office supplies	29,177	29,177	29,792	(615)
Postage	1,660	1,660	1,695	(35)
Professional services	6,962	6,962	7,109	(147)
Repairs and maintenance	1,308	1,308	1,336	(28)
Rental expense	19,587	19,587	20,000	(413)
Utilities	<u>3,794</u>	<u>3,794</u>	<u>3,874</u>	<u>(80)</u>
Total expenditures	<u>302,496</u>	<u>302,496</u>	<u>308,877</u>	<u>(6,381)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2016 \*

Year Ended December 31,	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	PERS	0.575067%	\$ 1,597	\$ 494,970	0.3%	99.89%
2015	DARS	0.558014%	\$ 30,058	\$ 327,423	9.2%	98.56%
2016	PERS	0.544404%	\$ 96,929	\$ 523,255	18.5%	93.48%
2016	DARS	0.558014%	\$118,270	\$ 374,105	31.6%	95.09%

\* The amounts presented have a measurement date of December 31, 2015 for PERS and June 30, 2016 for DARS.

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
 Avoyelles Parish, Louisiana

Schedule of Employer Contributions  
 For the Year Ended December 31, 2016

Year Ended December 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	PERS	\$ 47,093	\$ 47,093	\$ -	\$ 494,967	9.51%
2015	DARS	\$ 18,059	\$ 18,059	\$ -	\$ 327,423	5.52%
2016	PERS	\$ 41,239	\$ 41,239	\$ -	\$ 523,255	7.88%
2016	DARS	\$ 6,736	\$ 6,736	\$ -	\$ 374,105	1.80%

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

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

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

(2) Excess of Expenditures over Appropriations

The following funds incurred expenditures in excess of appropriations as shown in the following table:

General Fund	\$9,072
Title IV-D Fund	6,381

(3) Pension Plans

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increases, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Charles A. Riddle, III,  
District Attorney of the Twelfth Judicial District  
Avoyelles Parish, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the District Attorney of the Twelfth Judicial District (District Attorney), Avoyelles Parish, Louisiana, a component unit of the Avoyelles 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 27, 2017.

### Internal Control over Financial Reporting

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

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2016-002 to be material weakness.



A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2016-001 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

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

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

### **Purpose of this Report**

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

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

Marksville, Louisiana  
June 27, 2016

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2016-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2014

CONDITION: The District Attorney of the Twelfth Judicial District does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Mr. Charles Riddle, District Attorney, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the District Attorney to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

2016-002 Theft of Money Orders

Fiscal year finding initially occurred: 2016

CONDITION: It was brought to our attention that blank money orders remitted to the District Attorney's office were stolen during the fiscal year ended December 31, 2016. The dollar amount of money orders stolen is estimated to be approximately \$1,500. As of the date of the audit report, restitution has been paid for all amounts known. Charges have been filed against John Riddle, the son of the District Attorney. No arrest has been made as of the date of the audit report.

CRITERIA: Internal controls should be in place to prevent theft or misappropriation of assets.

CAUSE: Mail was brought to the home of the District Attorney to be processed during the next business day. This is believed to be when the theft occurred. Other controls in place at the time of the occurrence allowed the theft to be detected in a timely manner.

EFFECT: Failure to implement proper internal controls over cash receipts and management override of existing controls resulted in a theft of funds.

RECOMMENDATION: It is recommended that management implement internal control processes over the collections of funds.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The District Attorney has notified in writing the Legislative Auditor's office and informed them of the theft of funds. Management has implemented an internal control policy to ensure that all mail be brought directly to the District Attorney's office for processing and to prevent management from overriding those controls. As of the date of the audit report, restitution has been paid.

DISTRICT ATTORNEY OF THE TWELFTH JUDICIAL DISTRICT  
Avoyelles Parish, Louisiana

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

B. Compliance

There are no compliance findings

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2015-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The District Attorney of the Twelfth Judicial District does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2016-001.