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**DON M. McGEHEE**  
*(A Professional Accounting Corporation)*  
P. O. Box 1344  
205 E. Reynolds Drive, Suite A  
Ruston, Louisiana 71273-1344

January 23, 2017

Gayle Fransen, CPA  
Engagement Manager  
Louisiana Legislative Auditor  
PO Box 94397  
Baton Rouge, LA 70804-9397


re: 2015 Audit report for the District Attorney of the Third Judicial District

Dear Ms. Fransen,

The initial audit report submitted by me for the District Attorney of the Third Judicial District as of and for the year ended December 31, 2015 incorrectly identified the name of the District Attorney on page 41. The sole contents of Page 41 consist of the District Attorney's name and the Compensation, Benefits, and Other Payments paid to the District Attorney. Today I have resubmitted the audit report to correctly identify the District Attorney receiving the Compensation, Benefits, and Other Payments as John F. K. Belton.

Please let me know if additional information is needed.

Sincerely,



Don M. McGehee  
Certified Public Accountant

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 08 2017

**REISSUE**

**DISTRICT ATTORNEY  
OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF  
LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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Ruston, Louisiana 71273-1344

**INDEPENDENT AUDITOR'S REPORT**

Honorable John Belton  
District Attorney of the Third Judicial District  
100 West Texas, 2nd Floor  
Ruston, Louisiana 71270

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Third Judicial District, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2015, 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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, and the aggregate remaining fund information of the District Attorney of the Third Judicial District as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on the pages indicated in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

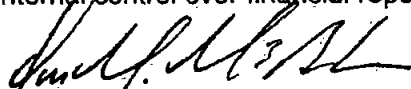
*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The supplemental schedule of compensation, benefits, and other payments is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedule of compensation, benefits and other payments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedule of compensation, benefits and other payments is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated June 30, 2016, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District Attorney's internal control over financial reporting and compliance.

  
Don M. McGehee  
Certified Public Accountant  
June 30, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**John F. K. Belton, District Attorney**  
Third Judicial District of Louisiana  
Parishes of Lincoln and Union

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2nd Floor  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2015**

Our discussion and analysis of the District Attorney's financial performance provides an overview of the financial activities for the year ended December 31, 2015. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 8.

**Basic Financial Statements**

The basic financial statements include government-wide and fund financial statements. The government-wide statements consist of a Statement of Net Position and a Statement of Activities and provide information about the financial activities of our Office as a whole. The government-wide statements present a long-term view of our finances. Fund financial statements consist of the respective fund's balance sheet and the fund's statement of revenues, expenditures and changes in fund balance, if applicable. The fund statements tell how our services were financed in the short-term and what remains for future spending. The primary difference between the fund and government-wide statement presentation methods is that expenditures for capital assets are expensed in the fund financial statements but capitalized and depreciated in the government-wide statements.

Our office reports information about monies we hold as an agent for others in the fiduciary fund. We are responsible for ensuring that all assets held for others are distributed as ordered by the court. We cannot use the assets held for others to finance our operations.

**Statement of Net Position and Statement of Activities**

One of the most important questions asked about our finances is, "Is the District Attorney's Office as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about our Office as a whole and about our activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is a method similar to accounting used by most private-sector companies. All revenues and expenses of the current year are reported under this method regardless of when cash is received or disbursed.

These two statements report our Office's net position and the changes in the position. You can think of net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position, of our Office. Increases/(decreases) in our net position are one indicator of whether our financial health is improving/(deteriorating).

We report the financial activity of all services provided by us in the Statement of Net Position and Statement of Activities. Expenses primarily include salaries, related benefits, and office expenses. Fees received from defendants, funds from grants and other assistance, and on-behalf payments from the State of Louisiana finance most of our activities.

**Government-Wide Financial Analysis**

As noted above, net position may serve as a useful indicator of an entity's financial position. The net position for the District Attorney's Office from the prior year ended December 30, 2014 was restated to \$61,399 as the Judge's Office implemented GASB 68. The implementation also resulted in the recording of deferred outflows of resources of \$44,878, deferred inflows of resources of \$156,207, and long-term pension liability of \$18,182 in the prior year. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the governmental activities of our Office.

**Table 1**  
**Total Net Position**

	<u>2015</u>	<u>2014</u>
Current Assets	\$ 805,539	\$ 279,357
Capital Assets	<u>12,846</u>	<u>17,015</u>
Total Assets	<u>818,385</u>	<u>296,372</u>
Total Deferred Outflows	<u>81,842</u>	<u>44,878</u>
Current Liabilities	79,178	63,023
Noncurrent Liabilities	<u>51,520</u>	<u>60,621</u>
Total Liabilities	<u>130,698</u>	<u>123,644</u>
Total Deferred Inflows	<u>117,026</u>	<u>156,207</u>
Net Position:		
Investment in Capital Assets	12,846	17,015
Unrestricted Net Position	<u>639,657</u>	<u>44,384</u>
Total Net Position	<u>\$ 652,503</u>	<u>\$ 61,399</u>

Net position increased \$591,104 from the prior year. Unrestricted net position, which is the part of net position that can be used to finance the day-to-day operations of our office without constraints, increased \$595,273.

**Table 2**  
**Change in Net Position**

	<u>2015</u>	<u>2014</u>
Revenues		
Program Revenues:		
Fees	\$ 767,609	\$ 242,153
Intergovernmental	711,330	495,085
On-Behalf Revenue	460,065	450,283
Grants and Other Assistance	514,712	594,526
General Revenues:		
Intergovernmental	364,660	394,660
Interest Income	36	21
Other Income	<u>10,038</u>	<u>4,192</u>
Total Revenues	<u>2,828,450</u>	<u>2,180,920</u>
Program Expenses:		
General Government-Judiciary	1,777,281	1,646,799
On-Behalf Expenses	<u>460,065</u>	<u>450,283</u>
Total Expenses	<u>2,237,346</u>	<u>2,097,082</u>
Increase in Net Position	<u>\$ 591,104</u>	<u>\$ 83,838</u>



Total revenues increased by 30% ( \$647,530) from the prior year. Fees increased by 216% (\$525,456), intergovernmental program revenue increased 44% (\$216,245), and grants decreased by 13% (\$79,814). General intergovernmental revenue increased by 2% (\$9,782).

Expenses increased 7% (\$140,264), primarily from an increase in salaries and benefits, professional services, contract services, and library expense.

The net effect of the 2015 changes in revenues and expenses from 2014 was a \$507,266 increase in the total change in net position for the year ended December 31, 2015, compared to the prior year total change in net position.

### **Fund Financial Statements**

As of our year end on December 31, 2015, our governmental funds reported a fund balance of \$539,822, which is \$375,751 more than last year's fund balance. About 1% (\$8,129) is considered unspendable, that portion having been used for prepaid items, 4% (\$24,355) is restricted, with the remaining 94% (\$507,338) unassigned. During 2015, revenues increased 24% (\$519,345) primarily as a result of an increase in fees. Expenditures increased about 10% (\$216,432) over the prior year, primarily the result of increases in salaries and benefits, professional fees, and contract services.

### **General Fund Budgetary Highlights**

We amend our budget when we determine there are unexpected unfavorable differences exceeding 5% between actual and anticipated revenues and/or expenditures. There were budget amendments adopted for 2015.

Our final amended budget was adopted just prior to year end. The differences between the original and final amended budget were less than 1% (\$2,000) increase in expenditures and no change in revenues. The changes to budgeted expenditures included an increase to dues and subscriptions. There was also a change to adjust the beginning fund balance to prior year actual amounts. There were no other significant budget amendments.

Actual general fund revenues were 18% (\$351,924) more than budgeted revenues, and actual general fund expenditures and transfers were 2% (\$38,856) less than budgeted expenditures and transfers. The more significant variances between actual results compared to the general fund budget, as reported on page 33, were \$480,306 more in fees than budgeted, \$78,558 less in grants than budgeted, and \$57,894 less in intergovernmental than budgeted. Contract services \$112,450 more than budgeted and professional fees were \$51,987 more than budgeted. Employee benefit expenses were \$60,742 less than budgeted, rent was \$24,424 less than budgeted, and salary expenses were \$15,229 less than budgeted. Additionally, operating transfers out to special revenue funds were \$29,857 less than budgeted.

### **Capital Assets**

In 2015 we purchased computer equipment and office equipment. For the upcoming year, we plan to purchase additional computer equipment and office furniture, but there are no plans to issue debt to finance these purchases or any other future project.

### **Currently Known Facts, Decisions, or Conditions**

We are not aware of any facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations after the reporting date.

### **Contacting the District Attorney's Office**

This financial report is designed to provide citizens and taxpayers with a general overview of the finances of the District Attorney's Office and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Attorney's Office at 100 W. Texas Avenue, Ruston, LA 71270.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 384,294
Due from Other Governmental Units	336,257
Due from Grants	68,182
Due from Others	8,677
Prepaid Insurance	8,129
Capital assets, net of depreciation	<u>12,846</u>
<b>Total Assets</b>	<u><b>818,385</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>81,842</b></u>
<b>LIABILITIES</b>	
Accounts Payable	55,787
Accrued Liabilities	20,891
Deferred Revenue, unearned	2,500
Long-Term Liability:	
Pension Liability	<u>51,520</u>
<b>Total Liabilities</b>	<u><b>130,698</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u><b>117,026</b></u>
<b>NET POSITION</b>	
Invested in Capital Assets	12,846
Unrestricted	<u>639,657</u>
<b>Total Net Position</b>	<u><b>\$ 652,503</b></u>

See accompanying notes to financial statements.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

		<u>Program Revenues</u>		
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Government-Judicial	\$ <u>2,237,346</u>	\$ <u>1,939,004</u>	\$ <u>514,712</u>	\$ <u>216,370</u>
<b>Total Governmental Activities</b>	<b>\$ <u>2,237,346</u></b>	<b>\$ <u>1,939,004</u></b>	<b>\$ <u>514,712</u></b>	<b><u>216,370</u></b>
General Revenues:				
Intergovernmental not restricted to specific programs				364,660
Interest earnings				36
Miscellaneous				<u>10,038</u>
Total General Revenues				<u>374,734</u>
Change in Net Position				591,104
Net Position - Beginning				<u>61,399</u>
Net Position - Ending				<u>\$ 652,503</u>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	General Fund	Special Revenue Funds			Total Governmental Funds
		Title IV-D	Worthless Checks	TASC	
<b>ASSETS</b>					
Cash	\$ 343,254	\$ 3,994	\$ 7,894	\$ 29,152	\$ 384,294
Due from Other					
Governmental Units	138,988	19,864	0	0	158,852
Due from Grants	57,878	0	0	1,170	59,048
Due from Others	8,677	0	0	0	8,677
Due from Other Funds	53,810	0	0	0	53,810
Prepaid Expenses	8,129	0	0	0	8,129
<b>Total Assets</b>	<b><u>\$ 610,736</u></b>	<b><u>\$ 23,858</u></b>	<b><u>\$ 7,894</u></b>	<b><u>\$ 30,322</u></b>	<b><u>\$ 672,810</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 55,763	\$ 8	\$ 0	\$ 16	\$ 55,787
Accrued Liabilities	20,891	0	0	0	20,891
Deferred Revenue	2,500	0	0	0	2,500
Due to Other Funds	<u>0</u>	<u>8,825</u>	<u>24,009</u>	<u>20,976</u>	<u>53,810</u>
<b>Total Liabilities</b>	<b><u>79,154</u></b>	<b><u>8,833</u></b>	<b><u>24,009</u></b>	<b><u>20,992</u></b>	<b><u>132,988</u></b>
<b>FUND BALANCES</b>					
<b>Nonspendable--</b>					
Prepaid Expenses	8,129	0	0	0	8,129
<b>Restricted for--</b>					
Title IV-D	0	15,025	0	0	15,025
TASC	0	0	0	9,330	9,330
Unassigned	<u>523,453</u>	<u>0</u>	<u>(16,115)</u>	<u>0</u>	<u>507,338</u>
<b>Total Fund Balance</b>	<b><u>531,582</u></b>	<b><u>15,025</u></b>	<b><u>(16,115)</u></b>	<b><u>9,330</u></b>	<b><u>539,822</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 610,736</u></b>	<b><u>\$ 23,858</u></b>	<b><u>\$ 7,894</u></b>	<b><u>\$ 30,322</u></b>	

Amounts reported in the Statement of Net Position in the government-wide financial statements are different from those reported in the balance sheet above because:

Capital assets are not recognized as financial resources and are not reported as assets in the balance sheet above yet are recognized in the Statement of Net Position.	12,846
Receivables that are not expected to be collected and available to timely pay current period expenditures are not recognized as financial resources and are not recorded as assets in the balance sheet above yet are recognized in the Statement of Net Position.	186,539
The deferred outflows of expenditures for pension obligations are not a use of current resources, and therefore, are not reported in the fund financial statements.	81,842
The deferred inflows of contributions for pension obligations are not available resources, and therefore, are not reported in the fund financial statements.	(117,026)
Adjustment for Long-Term Liabilities - Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the general fund balance sheet nor reflected in fund balance for the general fund.	<u>(51,520)</u>
<b>Net position of government activities in the government-wide financial statements</b>	<b><u>\$ 652,503</u></b>

See accompanying notes to financial statements.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	General	Title IV-D	Worthless Checks	TASC	Total Governmental Funds
<b>REVENUES</b>					
Fees	\$ 756,306	\$ 0	\$ 11,303	\$ 0	\$ 767,609
Grants and Other Assistance	187,943	238,369	0	79,266	505,578
Interest Income	0	16	0	20	36
Intergovernmental	921,574	0	0	29,275	950,849
On-Behalf Revenue	460,065	0	0	0	460,065
Other Income	<u>10,038</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,038</u>
<b>Total Revenues</b>	<u>2,335,926</u>	<u>238,385</u>	<u>11,303</u>	<u>108,561</u>	<u>2,694,175</u>
<b>EXPENDITURES</b>					
Capital Outlay	3,084	0	0	0	3,084
Contract Services	237,450	0	0	39,191	276,641
Dues	6,117	0	0	0	6,117
Employee Benefits	243,689	70,332	7,348	10,605	331,974
Insurance	23,923	0	0	0	23,923
LDAA Assessment	15,677	0	0	0	15,677
Library	25,727	0	0	0	25,727
Lincoln Police Jury	14,000	0	0	0	14,000
Office Expense	72,554	2,976	0	5,436	80,966
Other	16,070	512	0	0	16,582
Payroll Taxes	25,315	2,701	200	2,993	31,209
Professional Fees	93,987	0	0	0	93,987
Rent	758	0	0	3,491	4,249
Salaries	1,103,823	186,251	13,810	54,287	1,358,171
Telephone	19,484	2,103	0	855	22,442
Training and Seminars	1,644	0	0	0	1,644
Travel	8,636	330	0	0	8,966
Trial Expenses	<u>3,065</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,065</u>
<b>Total Expenditures</b>	<u>1,915,003</u>	<u>265,205</u>	<u>21,358</u>	<u>116,858</u>	<u>2,318,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	420,923	(26,820)	(10,055)	(8,297)	375,751
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In (Out)	<u>(30,143)</u>	<u>20,915</u>	<u>0</u>	<u>9,228</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(30,143)</u>	<u>20,915</u>	<u>0</u>	<u>9,228</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCE</b>	390,780	(5,905)	(10,055)	931	375,751
Fund Balance-Beginning	<u>140,802</u>	<u>20,930</u>	<u>(6,060)</u>	<u>8,399</u>	<u>164,071</u>
Fund Balance-Ending	<u>\$ 531,582</u>	<u>\$ 15,025</u>	<u>\$ (16,115)</u>	<u>\$ 9,330</u>	<u>\$ 539,822</u>

See accompanying notes to financial statements.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Net Change in Fund Balances-Total Governmental Funds** **\$ 375,751**

Amounts reported in the Statement of Activities in the government-wide financial statements are different from those reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance in the fund financial statements because:

Capital outlays are not recognized as expenditures in the Statement of Activities, but an economic cost of the outlay over an estimated useful life of the asset is recognized as depreciation expense. Depreciation expense of \$7,253 recognized in the government-wide Statement of Activities exceeded the \$3,084 in capital outlay expenditures reported in the fund financial statements by \$4,169. (4,169)

Net revenues of \$177,309 recognized in the Statement of Activities were not available to fund current period expenditures and are not recognized as revenue in the fund financial statements. Revenues of \$43,033 that were recognized in the Statement of Activities in the prior year but not in the fund financial statements were recognized in the current period fund financial statements. 134,276

Adjustment for Difference in Pension Expense - Governmental funds report pension expenditures based on required contributions, while in the Statement of Activities pension expense is reported based on the change in net pension liability and amortization of deferred inflows and outflows. 42,807

A \$42,439 payment of a long-term liability was reported as a reduction in liabilities in the Statement of Activities yet is considered a current expenditure in the fund financial statements. 42,439

**Change in Net Position of Government Activities** **\$ 591,104**

See accompanying notes to financial statements.



**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2015**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ <u>40,657</u>
<b>Total Assets</b>	<u>40,657</u>
<b>LIABILITIES</b>	
Seizures not yet Forfeited	29,166
Judgments not yet Disbursed	<u>11,491</u>
<b>Total Liabilities</b>	<u>40,657</u>
<b>NET POSITION</b>	<u>\$ <u>0</u></u>

See accompanying notes to financial statements.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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

The accompanying basic financial statements of the District Attorney's Office are prepared in accordance with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies used by the District Attorney's Office are discussed below:

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

**REPORTING ENTITY**

For financial reporting purposes, in conformity with GASB Statement No. 14, the District Attorney of the Third Judicial District is a component unit of the Lincoln Parish Police Jury. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

The Third Judicial District Truancy Assessment and Services Center (TASC) is a jointly governed organization. TASC's purpose is to identify potential juvenile delinquent behavior, using truancy as the primary indicator, and to correct it through early intervention. It operates through an interagency cooperation agreement with various agencies in Lincoln and Union parishes and with the District Attorney's Office. TASC is a component unit, but is not a legally separate organization from the District Attorney's Office. TASC is blended and reported within the Special Revenue Fund.

**FUND ACCOUNTING**

The accounts of the District Attorney are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. Fund accounting utilizes three categories of funds: governmental, proprietary, and fiduciary. Furthermore, each category is divided into separate "fund types."

The fund categories used by the District Attorney's Office are governmental funds and fiduciary funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Fiduciary funds account for the activity of the District Attorney as an agent for third parties.

**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.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The District Attorney's Office uses the following special revenue funds:

**Title IV-D Fund** - To account for the receipt and expenditures of reimbursement grants from the Louisiana Department of Health and Human Resources, 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.

**Worthless Checks Fund** - To account for the receipt and use of the proceeds from fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives, from the principle to the offense, a prescribed amount upon collection of a worthless check. The fund may be used to defray the salaries and expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

**Third Judicial District Truancy Assessment and Service Center (TASC)** - To account for the receipt and use of monies from grants to operate a Truancy Assessment and Services Center. The TASC addresses the underlying causes of truancy to coordinate the pooling of existing resources targeted at the child and family and the providing of appropriate action by services and treatment agencies in Lincoln and Union parishes. The TASC operates through an interagency cooperation with the Third Judicial District Judges, Lincoln and Union Parish School Boards, Lincoln and Union Parish Police Jury, Lincoln and Union Parish Sheriff's Office, Louisiana Tech University, various other organizations, and the District Attorney's Office. The TASC is not legally separate from the District Attorney's Office.

**Fiduciary Funds**

**Agency Funds**

Agency Funds are used to account for assets held by the District Attorney's Office as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations:

**Forfeiture and Fine Fund** - To account for assets received under the asset forfeiture law, under the bond forfeiture law, and for bail bond license fees. The asset forfeiture funds and the bond forfeiture funds are held until a judgment is rendered on each case instructing the District Attorney's Office on the disbursements of the funds. The bail bond license fees are distributed to various agencies, including the District Attorney's general fund, as provided by law.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

**Fund Financial Statements**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 60 days was used. Revenues accrued include commissions (collected by another governmental unit and remitted to the District Attorney), other intergovernmental revenue, and reimbursements for expenditures from the state. Revenues that are not considered susceptible to accrual include certain charges for fees and forfeitures. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**GOVERNMENTAL FUND BALANCE**

Beginning January 1, 2011, the District Attorney's Office implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**Nonspendable Fund Balance** - amounts that are not in spendable form (such as prepaids) or are required to be maintained intact.

**Restricted Fund Balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed Fund Balance** - amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assigned Fund Balance - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned Fund Balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District Attorney's Office establishes (and modifies or rescinds) fund balance commitments by passage of an order by the District Attorney. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the District Attorney through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BUDGETS AND BUDGETARY ACCOUNTING**

The District Attorney's Office prepared an operating budget on its General Fund and Special Revenue Funds for the year ended December 31, 2015. Budgetary data is prepared based on prior year actual operating revenues and expenditures. It is monitored by management and amended throughout the year as necessary. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The District Attorney's Office performs only a custodial function in the case of the agency fund and therefore a budget for this fund is not appropriate.

The 2015 general fund budget was authorized by the District Attorney, made available for public inspection at the District Attorney's Office, and adopted by the District Attorney on December 23, 2014.

**DEPOSITS AND INVESTMENTS**

Cash and cash equivalents consist of cash on hand, demand deposits, interest-bearing demand deposits, and short-term time deposits with original maturities of three months or less from the date of acquisition. It also includes cash on hand and undeposited currency being held in trust for evidence. Under state law, the District Attorney may invest funds in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments are reported at fair value, except certificates of deposit are reported at cost.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CAPITAL ASSETS**

Capital assets are recorded at cost and depreciated over their estimated useful lives. Donated assets are recorded at their estimated fair value as of the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and Equipment	5 - 7 years
Vehicles	5 - 7 years

**DEFERRED REVENUE**

Amounts received for which the revenue recognition criteria has not yet been met are classified as deferred revenue.

**DEFERRED OUTFLOWS OF 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 result from the delayed recognition of expenditures or revenues, respectively.

**VACATION AND SICK LEAVE**

Employees earn 12 days of vacation and sick leave each year. Vacation and sick leave must be used in the year earned. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year end.

**PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expenses, information about the fiduciary net position of the District Attorney's Retirement System (DARS) and the Parochial Employees Retirement System of Louisiana (PERS), and additions to/deductions from DARS' and PERS' fiduciary net position have been determined on the same basis as they are reported by DARS and PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 - CASH**

Cash consists of demand deposits (\$424,901) and cash on hand (\$50), which includes fiduciary fund cash under the District Attorney's control. Demand deposits are carried at cost which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. Pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2015, the District Attorney's Office has \$506,931 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and \$89,253 of pledged securities held by the custodial bank in the name of the fiscal agent. Even though the securities are considered uncollateralized under the provisions of GASB Statement 3, LSA-R.S. 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's Office that the fiscal agent has failed to pay deposited funds upon demand. Cash on hand at December 31, 2015 consists of \$50 in petty cash.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units consisted of the following:

Commissions and Fees from -	
City of Ruston	\$ 316
Lincoln Parish Sheriff's Office	23,301
Union Parish Sheriff's Office	6,748
Lincoln Parish Criminal Court Fund	97,210
Union Parish Criminal Court Fund	11,413
Title IV-D Reimbursement Grant Monies from the State of LA, DHHR	<u>19,864</u>
<b>TOTAL</b>	<b><u>\$ 158,852</u></b>

**NOTE 4 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2015, are as follows:

	<u>Balance 01/01/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/15</u>
<b><u>Capital Assets at Cost</u></b>				
Furniture and Equipment	\$ 350,521	\$ 3,084	\$ 215,924	\$ 137,681
Vehicles	<u>5,470</u>	<u>0</u>	<u>5,470</u>	<u>0</u>
<b>TOTALS</b>	<b><u>355,991</u></b>	<b><u>3,084</u></b>	<b><u>221,394</u></b>	<b><u>137,681</u></b>
<b><u>Less Accumulated</u></b>				
<u>Depreciation</u>				
Furniture and Equipment	333,506	7,253	215,924	124,835
Vehicles	<u>5,470</u>	<u>0</u>	<u>5,470</u>	<u>0</u>
<b>TOTALS</b>	<b><u>338,976</u></b>	<b><u>7,253</u></b>	<b><u>221,394</u></b>	<b><u>124,835</u></b>
<b>Net Capital Assets</b>	<b><u>\$ 17,015</u></b>	<b><u>\$ (4,169)</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 12,846</u></b>

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2015, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 53,810	\$ 0
Special Revenue Fund - Title IV-D	0	8,825
Special Revenue Fund - Worthless Check	0	24,009
Special Revenue Fund - TASC	<u>0</u>	<u>20,976</u>
<b>TOTAL</b>	<b><u>\$ 53,810</u></b>	<b><u>\$ 53,810</u></b>

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT**  
**PARISHES OF LINCOLN AND UNION, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 6 - PENSION PLANS**

The District Attorney's Office contributes to the District Attorneys' Retirement System (DARS) and the Parochial Employees Retirement System of Louisiana (PERS). The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorneys' Retirement System. All other employees are members of the Parochial Employees Retirement System of Louisiana, if they are permanent employees working at least 28 hours a week.

The DARS plan is a cost sharing multiple-employer defined benefit pension plan administered by the District Attorneys' Retirement System (DARS). DARS was established August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish. The DARS issues a publicly available financial report that includes financial statements and required supplementary information for DARS. That report may be obtained by writing to District Attorneys' Retirement System of Louisiana, 2109 Decatur Street, New Orleans, Louisiana 70116, or by calling (504) 947-5551.

The PERS plan is a cost sharing multiple-employer defined benefit pension plan administered by the Parochial Employees' Retirement System of Louisiana (PERS). The PERS was established and provided for by R.S. 11:1901 of the Louisiana Revised Statutes. The PERS Board of Trustees and the Louisiana Legislature have the authority to review administration, benefit terms, investments, and funding of the plan. The retirement system issues a publicly available financial report. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**GENERAL INFORMATION ABOUT THE PENSION PLANS**

**Benefits Provided**

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

**Retirement Benefits**

**DARS Plan**

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

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



**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 6 - PENSION PLANS (CONTINUED)**

**PERS Plan**

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification.

Any member of Plan A can retire providing he/she meets one of the following criteria:

Employees hired prior to January 1, 2007, can retire at any age with thirty or more years of creditable service, age 55 with twenty-five years of creditable service, age 60 with a minimum of ten years of creditable service, or age 65 with a minimum of seven years of creditable service.

Employees hired after January 1, 2007, can retire age 55 with 30 years of service, age 62 with ten years of service, or age 67 with 7 years of service.

Any member of Plan B can retire providing he/she meets one of the following criteria:

Employees hired prior to January 1, 2007, can retire at age 55 with thirty years of creditable service, age 60 with a minimum of ten years of creditable service, or age 65 with a minimum of seven years of creditable service.

Employees hired after January 1, 2007, can retire age 55 with 30 years of service, age 62 with ten years of service, and age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member shall consist of an amount equal to a percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts. The percent used for Plan A members is two percent, and Plan B participants use two percent.

**Deferred Retirement Benefits**

**DARS Plan**

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

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

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 6 - PENSION PLANS (CONTINUED)**

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

**PERS Plan**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments in the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

**Disability Benefits**

**DARS Plan**

Disability benefits are awarded to active contributing members with at least ten years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lessor of his actual service (not less than fifteen years) or projected continued service to age sixty.

**PERS Plan**

For Plan A and Plan B, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has a least five years of creditable service or if hired after January 1, 2007, and has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 6 - PENSION PLAN (CONTINUED)**

Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to a three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty. Plan B members shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

**Survivor's Benefits**

**DARS Plan**

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

**PERS Plan**

Upon the death of any member of Plan A with five or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. Plan B members need ten years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

**Permanent Benefit Increases/Cost-of-Living Adjustments**

**DARS Plan**

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the DARS must meet certain criteria detailed in the statute related to funding status and interest earnings.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 6 - PENSION PLAN (CONTINUED)**

**PERS Plan**

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July, 1973. The adjustment cannot exceed two percent of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to two percent of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**Contributions**

**DARS Plan**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2015 and June 30, 2016, the actual employer contribution rate was 7.00% and 3.5%, respectively. The District Attorney's contributions to DARS for the year ended December 31, 2015, was \$13,421, equal to the required contributions for the year.

In accordance with state statute, the DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are recognized as revenue during the year ended June 30, 2015 and excluding from pension expense.

**PERS Plan**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2014, the actuarially determined contribution rate was 13.07% of member's compensation for Plan A and 8.60% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2014 was 16% for Plan A and 9.25% for Plan B. The Judicial Clerk Fund participates in Plan A. The actual rate of Plan A for the fiscal year ending December 31, 2015 was 14.5%. Contributions to the pension plan from the the Judicial Clerk's Fund were \$81,908 for the year ended December 31, 2015.

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

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 6 - PENSION PLAN (CONTINUED)**

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

At December 31, 2015, the Employer reported a liability of \$51,520 for its proportionate share of the Net Pension Liability for all plans. The Net Pension Liability was measured as of June 30, 2015 for the DARS Plan and as of December 31, 2014 for the PERS Plan, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of those dates. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District Attorney's proportion of the DARS Plan was 0.48245% which was a decrease of 0.06013% from its proportion measured as of June 30, 2014. At December 31, 2014, the District Attorney's proportion of the PERS Plan was 0.093388%, which was a decrease of 0.01020% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the the District Attorney recognized pension expense of \$94,553 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions \$42,031.

At December 31, 2015, 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	\$ 0	\$ 49,383
Changes of assumptions	23,223	25,595
Net difference between projected and actual earnings on pension plan investments	53,015	11,558
Change in proportion and differences between Employer contributions and proportionate share of contributions	961	30,490
Employer contributions subsequent to the measurement date	4,643	0
<b>Total</b>	<b>\$ <u>81,842</u></b>	<b>\$ <u>117,026</u></b>

The District Attorney is reporting \$4,643 as deferred outflows of resources related to pensions resulting from their contributions subsequent to the measurement date which will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2015**

**NOTE 6- PENSION PLAN (CONTINUED)**

Year Ended December 31:

2016	\$ 19,399
2017	\$ 19,399
2018	\$ 10,632
2019	\$ (19,038)
2020	\$ 9,435

**Actuarial Assumptions**

DARS Plan

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 are as follows:

<b>Valuation Date</b>	June 30, 2015
<b>Actuarial Cost Method</b>	Entry Age Normal Cost
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	6 years
<b>Investment Rate of Return</b>	7.00%, net of investment expense
<b>Projected Salary Increases</b>	5.50% (2.5% Inflation, 3% Merit)
<b>Mortality</b>	The RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP 2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
<b>Cost of Living Adjustments</b>	Only those previously granted

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

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT**  
**PARISHES OF LINCOLN AND UNION, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2015**

**NOTE 6 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.39% for the year ended June 30, 2015.

The best estimates of arithmetic real rates of return for each major asset class based on DARS's target asset allocations as of June 30, 2015 were as follows:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation<sup>1</sup></u>	<u>Expected Portfolio Real Rate of Return<sup>1</sup></u>
Equities	50 %	6.30 %
Fixed Income	40 %	1.10 %
Alternatives	5 %	6.00 %
Real Estate	5 %	4.50 %
Totals	<u>100 %</u>	<u>4.50 %</u>
Inflation		<u>3.00 %</u>
Expected Real Rate of Return		<u>7.50 %</u>

**PERS Plan**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2014 are as follows:

<b>Valuation Date</b>	December 31, 2014
<b>Actuarial Cost Method</b>	Plan A - Entry Age Normal Plan B - Entry Age Normal
<b>Actuarial Assumptions:</b>	
<b>Expected Remaining Service Lives</b>	4 years
<b>Investment Rate of Return</b>	7.25% (Net of investment expense)
<b>Projected Salary Increases</b>	Plan A - 5.75% (2.75% Merit/3% Inflation) Plan B - 5.75% (2.75% Merit/3% Inflation)
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the PERS and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
<b>Mortality</b>	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT**  
**PARISHES OF LINCOLN AND UNION, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2015**

**NOTE 6 - PENSION PLAN (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.11% for the year ended December 31, 2014. Best estimates of arithmetic real rates of return for each major asset class included in the PERS target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return<sup>1</sup></u>
Fixed Income	34 %	1.30 %
Equity	51 %	3.55 %
Alternatives	12 %	0.77 %
Real Assets	3 %	0.19 %
Totals	<u>100 %</u>	<u>5.81 %</u>
Inflation		<u>2.30 %</u>
Expected Arithmetic Nominal Return		<u>8.11 %</u>

The morality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2004 through December 31, 2009. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the PERS's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

**Discount Rate**

**DARS Plan**

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that the contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the DARS's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT**  
**PARISHES OF LINCOLN AND UNION, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2015**

**NOTE 6 - PENSION PLAN (CONTINUED)**

**PERS Plan**

The discount rate used to measure the total pension liability was 7.25% for Plan A and 7.25% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

**DARS Plan**

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6%) or one percentage-point higher (8%) than the current rate:

	<u>1.0% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Employer's proportionate share of the net pension liability	\$ 238,115	\$ 25,987	\$ (154,147)

**PERS Plan**

The following presents the net pension liability of the participating employer's proportionate share calculated using the discount rate of 7.25%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	<u>1.0% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Employer's proportionate share of the net pension liability	\$ 369,118	\$ 25,533	\$ (265,583)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued DARS 2015 Comprehensive Annual Financial Report at [www.la.gov](http://www.la.gov) and the PERS 2014 Comprehensive Annual Financial Report at [www.persla.org](http://www.persla.org).

**Payables to the Pension Plan**

As of December 31, 2015, the District Attorney recorded a payable to DARS of \$2,580 and to PERS of \$12,394 for the required monthly contribution that was made after year end.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT**  
**PARISHES OF LINCOLN AND UNION, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 7 - ON-BEHALF PAYMENTS**

Employees of the District Attorney's Office received salaries and fringe benefits from the State of Louisiana. The following is a summary of these on-behalf payments:

<u>General Fund</u>	
Salaries	\$ 431,375
Fringe Benefits	<u>28,690</u>
Total On-Behalf Payments	<u>\$ 460,065</u>

Fringe benefits paid by the State of Louisiana include pension plan contributions to the District Attorneys' Retirement System.

**NOTE 8 - NONCURRENT LIABILITY**

The District Attorney's Office was sued for malpractice, and their malpractice insurance carrier successfully defended them. The cost of the defense was \$118,639 in excess of the amount covered by their insurance policy. On October 2, 2009, the District Attorney offered to pay \$6,000 down and \$1,300 per month until this debt was paid. The attorneys that defended this case accepted the offer. In 2015 the District Attorney's Office paid \$42,439 on this debt, which satisfied the debt. There was no unpaid balance at December 31, 2015.

Balance, January 1, 2015	\$ 42,439
Less: Payments	<u>(42,439)</u>
Balance, December 31, 2015	<u>\$ 0</u>

**NOTE 9 - NEW ACCOUNTING PRONOUNCEMENT**

In June 2013 the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. The provisions of GASB Statement No. 68 were implemented by the District Attorney during the year ended December 31, 2015. The Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. This resulted in a restatement of net position as follows:

Net Position, December 31, 2014, as previously reported	\$ 190,910
Change in Accounting Principle:	
Net Effect of Recording Net Pension Liability	<u>(129,511)</u>
Net Position, December 31, 2015, restated	<u>\$ 61,399</u>

**NOTE 10 - DEFICIT FUND BALANCE**

A deficit unassigned fund balance of \$16,115 exists in the worthless checks special revenue fund. The deficit is a result of a decline in worthless check fees greater than the decrease in expenditures for the fund. In response to the worthless checks fund's deficiency in revenues, the general fund provided an interfund loan to the worthless check fund to finance its operations. It is expected that this deficit will be eliminated using fees from future operations and/or interfund transfers from the general fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
DECEMBER 31, 2015**

	Original Budget Amounts	Budgeted Amounts	Actual Amounts	Variance with Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Fees	\$ 276,000	\$ 276,000	\$ 756,306	\$ 480,306
Grants and Other Assistance	266,501	266,501	187,943	(78,558)
Intergovernmental	979,468	979,468	921,574	(57,894)
On-Behalf Revenue	456,945	456,945	460,065	3,120
Other Income	<u>5,088</u>	<u>5,088</u>	<u>10,038</u>	<u>4,950</u>
<b>TOTAL REVENUES</b>	<u>1,984,002</u>	<u>1,984,002</u>	<u>2,335,926</u>	<u>351,924</u>
<b>EXPENDITURES</b>				
Capital Outlay	0	0	3,084	(3,084)
Contract Services	125,000	125,000	237,450	(112,450)
Dues and Subscriptions	12,000	14,000	6,117	7,883
Employee Benefits	304,431	304,431	243,689	60,742
Insurance	29,080	29,080	23,923	5,157
LDAA Assessment	15,677	15,677	15,677	0
Library	35,000	35,000	25,727	9,273
Lincoln Parish Police Jury	14,000	14,000	14,000	0
Office Expenses	80,323	80,323	72,554	7,769
Other	18,312	18,312	16,070	2,242
Payroll Taxes	32,945	32,945	25,315	7,630
Professional Fees	42,000	42,000	93,987	(51,987)
Rent	25,182	25,182	758	24,424
Salaries	1,119,052	1,119,052	1,103,823	15,229
Telephone	23,000	23,000	19,484	3,516
Training and Seminars	6,000	6,000	1,644	4,356
Travel and Meals	16,000	16,000	8,636	7,364
Trial Expenses	<u>24,000</u>	<u>24,000</u>	<u>3,065</u>	<u>20,935</u>
<b>TOTAL EXPENDITURES</b>	<u>1,922,002</u>	<u>1,924,002</u>	<u>1,915,003</u>	<u>8,999</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>62,000</u>	<u>60,000</u>	<u>420,923</u>	<u>360,923</u>
<b>OTHER FINANCING USES</b>				
Operating Transfers Out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(30,143)</u>	<u>29,857</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(30,143)</u>	<u>29,857</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES</b>	2,000	0	390,780	390,780
<b>FUND BALANCE - BEGINNING</b>	<u>125,959</u>	<u>140,802</u>	<u>140,802</u>	<u>0</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 127,959</u>	<u>\$ 140,802</u>	<u>\$ 531,582</u>	<u>\$ 390,780</u>

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUNDS  
DECEMBER 31, 2015**

	Original Budget Amounts	Amended Budget Amounts	Actual Amounts	Variance with Amended Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Fees	\$ 13,810	\$ 13,810	\$ 11,303	\$ (2,507)
Grant	399,297	318,836	317,635	(1,201)
Intergovernmental	0	0	29,275	29,275
Interest Income	0	0	36	36
<b>TOTAL REVENUES</b>	<u>413,107</u>	<u>332,646</u>	<u>358,249</u>	<u>25,603</u>
<b>EXPENDITURES</b>				
Judicial Expenses				
Title IV-D	238,369	283,369	265,205	18,164
Worthless Checks	13,810	13,810	21,358	(7,548)
TASC	<u>160,928</u>	<u>95,467</u>	<u>116,858</u>	<u>(21,391)</u>
<b>TOTAL EXPENDITURES</b>	<u>413,107</u>	<u>392,646</u>	<u>403,421</u>	<u>(10,775)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	0	(60,000)	(45,172)	14,828
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	<u>0</u>	<u>60,000</u>	<u>30,143</u>	<u>(29,857)</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>0</u>	<u>60,000</u>	<u>30,143</u>	<u>(29,857)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	0	0	(15,029)	(15,029)
<b>FUND BALANCE-BEGINNING</b>	<u>80,854</u>	<u>23,269</u>	<u>23,269</u>	<u>0</u>
<b>FUND BALANCE-ENDING</b>	<u>\$ 80,854</u>	<u>\$ 23,269</u>	<u>\$ 8,240</u>	<u>\$ (15,029)</u>

**OTHER REPORTS AND SCHEDULES**

**DON M. MCGEHEE**  
(A Professional Accounting Corporation)

P.O. Box 1344  
205 E. Reynolds Drive, Suite A  
Ruston, Louisiana 71273-1344

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 Belton  
District Attorney of the Third Judicial District  
100 West Texas, 2nd Floor  
Ruston, Louisiana 71270

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Third Judicial District District Attorney, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements and have issued my report thereon dated June 30, 2016.

**Internal Control Over Financial Reporting**

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

My 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, I identified certain deficiencies in internal control that I 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 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. I consider the deficiency described in the accompanying schedule of findings and questioned costs as #2015-1 to be a material weakness.

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. I consider none of the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies.

### **Compliance and Other Matters**

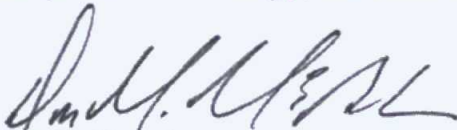
As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

### **District Attorney's Response to Findings**

The District Attorney's responses to the findings identified in my audit are described in the accompanying schedule of management's corrective action plan. The District Attorney's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinions on them.

### **Purpose of this Report**

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



Don M. McGehee  
Certified Public Accountant  
June 30, 2016



**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 2015, and have issued my report thereon dated June 30, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2015 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards:

**Section 1 Summary of Auditor's Reports**

**Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes  No      Significant Deficiencies  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

**Section 2 Financial Statement Findings**

**Finding 2015-1. Separation of Duties.** The District Attorney's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

<u>FINDINGS</u>	<u>STATUS</u>
<b>2014-1. Separation of Duties.</b> The District Attorney's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control. The District Attorney's Office had an unfavorable budget variance in excess of 5%.	Unresolved. See Finding 2015-1.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT**

**FINDINGS**

**2015-1. Separation of Duties.** Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

**RESPONSE**

The District Attorney's Office has an accounting workload that can be easily managed by two employees. The hiring of additional employees to provide enhanced internal control does not appear to be the best use of resources.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO THE DISTRICT ATTORNEY  
FOR THE YEAR ENDED DECEMBER 31, 2015

District Attorney of the Third Judicial District, John F. K. Belton:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 97,975
Salary paid On-Behalf	54,695
Benefits-Retirement	3,974
Benefits-Retirement paid On-Behalf	6,263
Benefits-Group Health Insurance	10,406
Travel	3,296