

**Office of the District Attorney  
of the 34<sup>th</sup> Judicial District**

**FINANCIAL REPORT**

**December 31, 2018**



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**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
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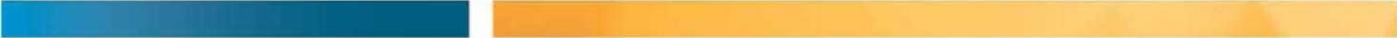
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**Report**



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## **INDEPENDENT AUDITORS' REPORT**

To the District Attorney of the 34<sup>th</sup> Judicial District  
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the District Attorney of the 34<sup>th</sup> Judicial District (the "Office") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Office'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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Office'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 Office's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying

Schedule of Compensation, Benefits and Other Payments to Agency Head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Office's 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 Office's internal control over financial reporting and compliance.

*Carri Riggs & Ingram, L.L.C.*

June 26, 2019



**Required Supplementary  
Information (Part I)**

## Office of the District Attorney of the 34<sup>th</sup> Judicial District Management's Discussion and Analysis

Management's Discussion and Analysis ("MD&A") is a required element of the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in its codification. Its purpose is to provide an overview of the financial activities of the Office of the District Attorney of the 34<sup>th</sup> Judicial District (the "Office") based on currently known facts and decisions of conditions. Please read it in conjunction with the Office's financial statements, which begin on page 9.

### FINANCIAL HIGHLIGHTS

The Office's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$2,161,861, which represent a 4.2% decrease from last year.

The Office's revenues increased by \$57,067 (or 2.58%), principally due to the increase in on-behalf payroll paid by St. Bernard Parish and the State of Louisiana.

The Office's expenses increased by \$43,872, which represents a 1.89% increase from last year primarily because of the increase in salaries paid on-behalf of the Office.

The Office did not have any funds with deficit fund balances.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Office's basic financial statements. The Office's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different view of the Office:

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Office's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Office's assets and liabilities, with the difference between the two reported as the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating. The Statement of Activities presents information showing how the Office's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Office has charge of every criminal prosecution by its District.



## Office of the District Attorney of the 34<sup>th</sup> Judicial District Management's Discussion and Analysis

### FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Office has both Governmental and Fiduciary Funds.

Fund Financial Statements provide more in-depth data on the Office's most significant funds, such as its General Fund. This fund is considered a "major fund" under criteria established by GASB Statement No. 34. The Title IV-D fund is a non-major fund.

### GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the calendar year.

Due to the narrower focus of the governmental funds than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### FIDUCIARY FUNDS

Fiduciary fund reporting focuses on the agency fund assets and liabilities. The funds accounted for in this category by the District Attorney are the Bond Forfeitures Fund and the Traffic and Safety Fund.

### NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provide the government-wide and fund financial statements.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Office's financial position. As of December 31, 2018, assets and deferred outflows exceed liabilities and deferred inflows by \$2,161,861.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Management's Discussion and Analysis**

**CONDENSED STATEMENTS OF NET POSITION**

	2018	2017	Dollar Change	Total % Change
Current and other assets	\$ 2,120,134	\$ 2,199,233	\$ (79,099)	-3.60%
Capital assets	65,666	90,171	(24,505)	-27.18%
Total assets	<b>2,185,800</b>	2,289,404	(103,604)	-4.53%
Deferred outflows of resources	41,745	47,570	(5,825)	-12.24%
Total assets and deferred outflows	<b>2,227,545</b>	2,336,973	(109,440)	-4.68%
Current liabilities	58,491	68,190	(9,688)	-14.20%
Deferred inflows of resources	7,193	10,722	(3,529)	-32.91%
Total liabilities and deferred inflows	<b>65,684</b>	78,912	(13,228)	-16.76%
Net position:				
Invested in capital assets	65,666	90,171	(24,505)	-27.18%
Restricted	-	5,117	(5,117)	-100.00%
Unrestricted	<b>2,096,195</b>	2,162,774	(66,579)	-3.07%
Total net position	<b>\$ 2,161,861</b>	\$ 2,258,062	\$ (96,201)	-4.26%

**GOVERNMENTAL ACTIVITIES**

Governmental activities decreased the Office's net assets by \$96,201. Key elements of this decrease are:

**CONDENSED STATEMENTS OF ACTIVITIES**

	2018	2017	Dollar Change	Total % Change
Revenues:				
Commissions on fines	\$ 127,450	\$ 111,063	16,387	14.75%
Acts 834 and 293	97,617	56,736	40,881	72.05%
Intergovernmental revenues - on-behalf payments	1,813,327	1,695,021	118,306	6.98%
Diversion program fees	143,875	218,448	(74,573)	-34.14%
Victims assistance	32,500	30,000	2,500	8.33%
Interest income	21,951	11,623	10,328	88.86%
Non-employer pension contribution	9,093	8,384	709	8.46%
Victims of crime assistance	18,152	65,106	(46,954)	-72.12%
DA Traffic and Safety	7,114	17,631	(10,517)	-59.65%
Total revenues	<b>2,271,079</b>	2,214,012	57,067	2.58%

**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Management's Discussion and Analysis**

Expenses:				
General and other governmental and other	<b>2,367,280</b>	2,299,256	68,024	2.96%
Loss on donation	-	24,163	(24,163)	-100.00%
<b>Total Expenses:</b>	<b>2,367,280</b>	2,323,419	43,872	1.89%
Change in net position	<b>(96,201)</b>	(109,407)	13,206	-12.07%
Net position beginning of year	<b>2,258,062</b>	2,367,469	(109,407)	-4.62%
Net position end of year	<b>\$ 2,161,861</b>	\$ 2,258,062	(96,201)	-4.26%

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**GOVERNMENTAL FUNDS**

The focus of the Office's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of the end of the current year, the Office's governmental funds reported a combined ending fund balance of \$2,095,123, a decrease of \$63,433 in comparison with the prior year that is available for spending at the Office's discretion.

The General Fund is the chief operating fund of the Office. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,095,123.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District Attorney adopted a budget during 2018 and amended the budget to take into consideration significant changes in revenues or expenditures. A comparison of the original and amended budget to actual totals of revenues and expenditures is included on pages 34 of the financial statements.

During the year, revenues were lower than budgetary estimates by \$45,485 and expenditures were lower than budgetary estimates by \$17,948 due to the decrease in activity in the Office's Diversion program.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Management's Discussion and Analysis**

**CAPITAL ASSETS**

The Office's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$65,666 (net of accumulated depreciation). This investment in capital assets includes vehicles and facility improvements net of any related debt.

As of December 31,	2018	2017
Vehicles	\$ 119,528	\$ 119,528
Facility improvements	12,000	12,000
Less accumulated depreciation	(65,862)	(41,357)
<b>Total</b>	<b>\$ 65,666</b>	<b>\$ 90,171</b>

**ECONOMIC FACTORS AND 2018 BUDGET**

When preparing the Office's budget for 2019, the decrease in bond forfeiture revenues and slight increase in diversion program fees in the General Fund were considered the most significant factors.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Office's finances for all those with an interest in the Office's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Perry M. Nicosia, District Attorney, Office of the District Attorney of the 34<sup>th</sup> Judicial District, Parish of the St. Bernard, Post Office Box 947, Chalmette, LA 70044-0947.



# Financial Statements

**Office of the District Attorney of the 34th Judicial District**  
**Statement of Net Position**

December 31,	2018
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 935,839
Investments	1,041,179
Due from other governments	131,766
Prepays	11,350
Total Current Assets	2,120,134
<b>NONCURRENT ASSETS</b>	
Capital assets, net of depreciation	65,666
TOTAL ASSETS	2,185,800
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pension liability	41,745
Total Deferred Outflows of Resources	41,745
<b>LIABILITIES</b>	
Accounts payable	25,011
Non-current liabilities:	
Net pension liability	33,480
TOTAL LIABILITIES	58,491
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pension liability	7,193
Total Deferred Inflows of Resources	7,193
<b>NET POSITION</b>	
Net investment in capital assets	65,666
Unrestricted	2,096,195
TOTAL NET POSITION	\$ 2,161,861

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District  
Statement of Activities**

For the Year Ended December 31,

2018

	<u>Program Revenues</u>			<b>Net (Expense) Revenue and Change in Net Position</b>
<b>Function/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental Activities</b>				
General government	\$ 2,367,280	\$ 394,208	\$ 32,500	\$ (1,940,572)
<b>General revenues and special items</b>				
Intergovernmental revenues				1,813,327
Interest and investment earnings				21,951
Non-employer pension contributions				9,093
Total General Revenues				1,844,371
<b>CHANGE IN NET POSITION</b>				<b>(96,201)</b>
NET POSITION - beginning of year				2,258,062
<b>NET POSITION - end of year</b>				<b>\$ 2,161,861</b>

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District**  
**Balance Sheet - Governmental Funds**  
**December 31, 2018**

	General Fund	Non-Major Fund - Title IV - D Incentives Special Revenue	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 935,839	\$ -	\$ 935,839
Investments	1,041,179	-	1,041,179
Due from other governmental entities:			
Due from St. Bernard Parish Sheriff's Office:			
Commission on fines	1,058	-	1,058
Bond forfeitures	3,655	-	3,655
Bond premium fees	2,569	-	2,569
Court costs	669	-	669
Contempt fees	160	-	160
Due from St. Bernard Parish Government	86,874	-	86,874
Due from other governments	36,781	-	36,781
Prepays	11,350	-	11,350
<b>TOTAL ASSETS</b>	<b>\$ 2,120,134</b>	<b>\$ -</b>	<b>\$ 2,120,134</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 21,221	\$ -	\$ 21,221
Due to bond forfeiture fund	3,790	-	3,790
<b>TOTAL LIABILITIES</b>	<b>25,011</b>	<b>-</b>	<b>25,011</b>
<b>FUND BALANCE</b>			
Unassigned	2,095,123	-	2,095,123
<b>TOTAL FUND BALANCE</b>	<b>2,095,123</b>	<b>-</b>	<b>2,095,123</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,120,134</b>	<b>\$ -</b>	<b>\$ 2,120,134</b>

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District  
Reconciliation of the Balance Sheet to the  
Statement of Net Position  
December 31, 2018**

Total fund balance at December 31, 2018 - governmental funds		<b>\$ 2,095,123</b>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	131,528	
Less accumulated depreciation	(65,862)	<b>65,666</b>
<hr/>		
Contributions to the pension plan in the current year and other pension related deferrals are deferred outflows of resources on the Statement of Net Position		<b>41,745</b>
Long-term liabilities at December 31, 2018:		
Net pension liability		<b>(33,480)</b>
Pension related deferrals are deferred inflows of resources on the Statement of Net Position		<b>(7,193)</b>
<hr/>		
Net position of governmental activities		<b>\$ 2,161,861</b>
<hr/> <hr/>		

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Governmental Funds**  
**For the year ended December 31, 2018**

	General Fund	Non-Major Fund - Title IV - D Incentives Special Revenue	Total
<b>REVENUES</b>			
Intergovernmental revenues - on-behalf payments	\$ 1,813,327	\$ -	\$ 1,813,327
Diversion program fees	143,875	-	143,875
Bond forfeitures	101,964	-	101,964
Court costs, fines and fees	97,617	-	97,617
Victims assistance grant	32,500	-	32,500
Asset forfeitures	25,486	-	25,486
Interest income	21,951	-	21,951
Victims of crime assistance grant	18,152	-	18,152
DA traffic and safety	7,114	-	7,114
<b>Total Revenues</b>	<b>2,261,986</b>	<b>-</b>	<b>2,261,986</b>
<b>EXPENDITURES</b>			
Current:			
General government:			
Personnel services	2,144,568	-	2,144,568
Office expense	92,010	-	92,010
Contract services	22,287	-	22,287
Program services	40,248	-	40,248
Auto and travel	26,306	-	26,306
<b>Total Expenditures</b>	<b>2,325,419</b>	<b>-</b>	<b>2,325,419</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	5,117	-	5,117
Transfer out	-	(5,117)	(5,117)
<b>Total other financing sources</b>	<b>5,117</b>	<b>(5,117)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(58,316)</b>	<b>(5,117)</b>	<b>(63,433)</b>
FUND BALANCE - beginning of year	2,153,439	5,117	2,158,556
<b>FUND BALANCE - end of year</b>	<b>\$ 2,095,123</b>	<b>\$ -</b>	<b>\$ 2,095,123</b>

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Statement of Activities  
For the year ended December 31, 2018**

Total net change in fund balance - governmental funds \$ (63,433)

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

Governmental funds report capital outlays as expenditures. However,  
in the Statement of Activities the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense

Depreciation expense (24,505)

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 governmental funds

Pension expense (8,263)

Change in Net Position of Governmental Activities \$ (96,201)

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District**  
**Statement of Fiduciary Assets and Liabilities - Agency Funds**  
**December 31, 2018**

	<b>Bond Forfeitures</b>	<b>Traffic and Safety</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 13,274	\$ 1,248	\$ 14,522
Due from other governments	4,732	-	4,732
<b>TOTAL ASSETS</b>	<b>\$ 18,006</b>	<b>\$ 1,248</b>	<b>\$ 19,254</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Forfeited bond proceeds	\$ 18,006	\$ -	\$ 18,006
Due to general fund	-	624	624
Due to other governments	-	624	624
<b>TOTAL LIABILITIES</b>	<b>\$ 18,006</b>	<b>\$ 1,248</b>	<b>\$ 19,254</b>

*The accompanying notes are an integral part of this financial statement.*

**Office of the District Attorney of the 34th Judicial District**  
**Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds**  
**For the year ended December 31, 2018**

	January 1, 2018	Additions	Deductions	December 31, 2018
<b>BOND FORFEITURES:</b>				
Cash and cash equivalents	\$ 2,107	\$ 355,179	\$ (344,012)	\$ 13,274
Due from other governments	765	3,967	-	4,732
<b>Bond forfeitures assets</b>	<b>2,872</b>	<b>359,146</b>	<b>(344,012)</b>	<b>18,006</b>
Forfeited bond proceeds	2,872	359,146	(344,012)	18,006
<b>Bond forfeitures liabilities</b>	<b>\$ 2,872</b>	<b>\$ 359,146</b>	<b>\$ (344,012)</b>	<b>\$ 18,006</b>
<b>TRAFFIC AND SAFETY</b>				
Cash and cash equivalents	\$ 1,644	\$ 17,492	\$ (17,888)	\$ 1,248
<b>Traffic and safety assets</b>	<b>1,644</b>	<b>17,492</b>	<b>(17,888)</b>	<b>1,248</b>
Due to general fund	822	8,746	(8,944)	624
Due to other governments	822	8,746	(8,944)	624
<b>Traffic and safety liabilities</b>	<b>\$ 1,644</b>	<b>\$ 17,492</b>	<b>\$ (17,888)</b>	<b>\$ 1,248</b>

*The accompanying notes are an integral part of this financial statement.*

## Office of the District Attorney of the 34<sup>th</sup> Judicial District Notes to Financial Statements

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

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. The District Attorney performs other duties as provided by law and is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of St. Bernard, Louisiana.

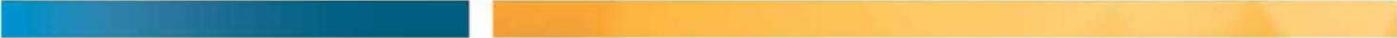
The financial statements of the Office of the District Attorney of the 34<sup>th</sup> Judicial District (the "Office") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the governmental entity's accounting policies are described below.

**Reporting Entity** – The Office has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

The District Attorney is an independently elected official and is not considered fiscally dependent of the St. Bernard Parish Council (the "Council"). As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for the St. Bernard Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Codification 2600 *Reporting Entity and Component Unit Presentation and Disclosure* established criteria for determining which component units should be considered part of the St. Bernard Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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



**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS  
(CONTINUED)**

Because the Council does not appoint the District Attorney, does not provide funding (other than the use of facilities), or have any control over the District Attorney, the District Attorney has determined that the Office is not a component unit of the St. Bernard Parish Council. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that compromise the financial reporting entity of St. Bernard Parish.

**Government-wide Financial Statements** – The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Office. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through fines and fees, intergovernmental revenues, and other non-exchange revenues.

**Fund Financial Statements** – The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Codification 1300 *Fund Accounting*. Emphasis is now on major funds in governmental categories. The daily accounts and operations of the Office continue to be organized on the basis of a fund and the accounts group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that compromise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the Office:

*General Fund* – The general fund is the general operating fund of the Office. The General fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund. The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that a percentage of the fines collected and bonds forfeited within the judicial district be transmitted to the District Attorney to defray the necessary expenses of the Office.

*Special Revenue Funds* – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for a specific purpose. The Special Revenue Fund reported as a non-major fund in the fund financial statements is as follows:

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS  
(CONTINUED)**

*Title IV-D Incentives Special Revenue Fund* – The Title IV-D Incentives Special Revenue Fund consists of incentive payments from the Louisiana Department of Health and Hospitals, as 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 program 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. The contract for Title IV-D Incentive Funds was canceled in 1991 and was not renewed as of December 31, 2018.

***Fiduciary Funds*** – The fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category are the agency funds. The agency funds account for assets held by the Office as an agent for other governments. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The Office maintains two agency funds: Bond Forfeiture and Traffic and Safety Agency Funds.

*Bond Forfeitures Fund* – The Bond Forfeitures Agency fund holds bond forfeiture proceeds that are collected as a result of individuals failing to show up to court after a bond has been posted on their behalf. If the individuals do not follow the required legal proceedings after the bonds have been issued, the Office can then demand the Bail Bondsman to pay the proceeds of the bond. Once the Office receives the funds, they are required to hold the money for a period of at least six months. If at this time the defendant has not shown up to court, the funds are to be allocated 25% to the St. Bernard Parish Sheriff's Office, 25% to the St. Bernard Parish Criminal Court Fund, 20% to the St. Bernard Public Defender's Office, and 30% to the Office.

*Traffic and Safety Fund* – The Traffic and Safety fund hold proceeds for the District Attorney Traffic and Safety Program that are collected from participants to have their citation considered from dismissal upon compliance with certain requirements. The revenue generated from this program is allocated 50% to the St. Bernard Parish Sheriff's Office and 50% to the Office.

***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.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS  
(CONTINUED)**

**Government-wide Financial Statements** – The government-wide financial statements are reported using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Fund Financial Statements** – All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net change in fund balance. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Office considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Commissions on fines, Act 293 court costs, Act 834 bond premium fees, Act 52 bond forfeitures, and income from forfeitures of assets seized in illegal drug activity, and Title IV-D incentive payments are recorded in the year they are earned. Interest on investments is recorded when earned. Any interest not received at year end is accrued as a receivable. Other revenues are recognized when received.

Interest income on cash balances is recorded when the income is available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

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

**Operating Budgetary Data** – As required by the Louisiana Revised Statute 39:1303, the District Attorney adopted a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District Attorney. The Office's budget was amended one time during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS  
(CONTINUED)**

The General Fund budget is adopted on the accrual basis of accounting,.

**Capital Assets** - The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-wide Financial Statements* - In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$2,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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:

Facility improvements	20 years
Automobiles	5 years

*Fund Financial Statements* - 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.

**Vacation and Sick Leave** - The Office does not have a formal vacation and sick leave policy. Vacation and sick leave do not carryover from year to year.

**Net Position Classifications** - Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributions or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS  
(CONTINUED)**

c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets." When both restricted and unrestricted resources are available for use, it is the Office's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance** - In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

*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. There was no nonspendable fund balance as of December 31, 2018.

*Restricted* - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted fund balance as of December 31, 2018.

*Committed* - amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed fund balance as of December 31, 2018.

*Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purpose. There was no assigned fund balance as of December 31, 2018.

*Unassigned* - all other spendable amounts.

When both restricted and unrestricted resources are available for use, it is the Office's intention to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Office's intention to use committed resources first, then assigned, and then unassigned as they are needed.

**Future Accounting Pronouncements** - In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The Office is currently assessing the impact of GASB 84 on the financial statements for the year ending December 31, 2019.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS  
(CONTINUED)**

In June 2017, GASB issued Statement No. 87 - Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District Attorney is currently assessing the impact of GASB 87 on the financial statements for the year ending December 31, 2020.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Office's Pension Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

**Deferred Outflows and Inflows of Resources** - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Office has one item that meets the criterion for this category, pension-related deferrals. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Office has one item that meet the criterion for this category, pension-related deferrals.

**Interfund Transfers** - The Title IV-D Incentives Special Revenue Fund was closed during the year ended December 31, 2018. An interfund transfer was recorded to move the remaining fund balance to the General Fund.

**Subsequent Events** - The Office evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 26, 2019, which is the date the financial statements were available to be issued and no material events were noted for disclosure.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 2: DEPOSITS AND INVESTMENTS**

**Deposits with Financial Institutions**

Under state law, the Office 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 Office 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, 2018, the Office has total cash (bank balances) deposited with financial institutions totaling \$957,021.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Office's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party.

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

Deposit balances (bank balances) at December 31, 2018, are secured as follows:

Bank Balance	\$	957,021
Insured	\$	416,054
Collateralized by pledging bank in the Office's name		540,967
Total	\$	957,021

As of December 31, 2018, the Office's total bank balance was not exposed to custodial risk. \$416,054 of the Office's bank balance was secured by federal deposit insurance, while the remaining \$540,967 was secured by pledged securities owned by the fiscal agent bank.

**Deposits with Louisiana Asset Management Pool**

At December 31, 2018, the Office had an investment of \$1,041,179 with the Louisiana Asset Management Pool (LAMP), which is included in investments on page 9 and page 11. LAMP is administered by LAMP, Inc., a non-profit Authority, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)**

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. LAMP is rated AAAM by Standard & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to the account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Capital assets being depreciated:				
Facility improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Automobiles	119,528	-	-	119,528
Less accumulated depreciation for:				
Facility improvements	(3,200)	(600)	-	(3,800)
Automobiles	(38,157)	(23,905)	-	(62,062)
<b>Total capital assets, net</b>	<b>\$ 90,171</b>	<b>\$ (24,505)</b>	<b>\$ -</b>	<b>\$ 65,666</b>

## Office of the District Attorney of the 34<sup>th</sup> Judicial District Notes to Financial Statements

### NOTE 4: PENSION PLAN

The Office is a member of the District Attorneys' Retirement System ("DARS"). This system is a cost-sharing multiple-employer, defined benefit pension plan administered by a separate board of trustees.

#### General Information about the Pension Plan

##### Plan Description

The District Attorneys' Retirement System ("DARS"), State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on 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.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys.

The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through DARS in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

##### 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.

Members who joined DARS before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of 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 year 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.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

Members who joined DARS after July 1, 1990, of who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an 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 average final compensation.

**Disability Benefits**

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

**Survivor Benefits**

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

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in DARS.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

**Deferred Retirement Option Plan benefits (DROP)**

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 Option 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 lesser of 36 months 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.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program ("DROP") for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

**Cost of Living Adjustments**

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

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, DARS must meet certain criteria detailed in the statute related to funding status and interest earnings.

**Contributions**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019 and for the year ended June 30, 2018, the actual employer contribution rate was 1.25% and 0.0%, respectively. For the year ending June 30, 2019 and for the year ended June 30, 2018, the actuarially determined employer contribution rate was 3.83% and 1.20%, respectively. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. Contributions to the pension plan from the Office were \$404 for the year ended December 31, 2018.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2018.

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

At December 31, 2018, the Office reported a liability of \$33,480 for its proportionate share of the Net Pension Liability (NPL) of DARS. The NPL was measured as of June 30, 2018, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date. The Office's proportion of the NPL was based on a projection of the Office's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. At June 30, 2018, the Office's proportionate share was 0.104042%, which was an increase of .002038% from its proportionate share measured at June 30, 2017.

For the year ended December 31, 2018, the Office recognized a total pension expense of \$17,686, plus the Office's amortization of the difference between employer contributions and proportionate share of contributions of \$74.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

At year end, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>DARS</u>		
Differences between expected and actual experience	\$ 180	\$ 4,864
Net difference between projected and actual earnings on pension plan investments	2,803	-
Changes in assumptions	20,308	2,208
Changes in proportion to NPL	-	-
Differences between the District Attorney's contributions and its proportionate share of contributions	18,050	121
The Office's contributions subsequent to measurement date	404	-
<b>Total DARS</b>	<b>\$ 41,745</b>	<b>\$ 7,193</b>

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

Year Ending December 31,	Amount of Amortization
2019	\$ 12,987
2020	9,877
2021	3,368
2022	3,888
2023	4,028

**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal cost
Investment rate of return	6.50% net of investment expense
Inflation rate	2.4% per annum
Salary increases	5.50% (2.40% Inflation, 3.10% Merit)
Mortality rates	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, annuitants, and beneficiaries. The RP 2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) for disabled annuitants.
Expected remaining service lives	6 years
Cost of Living adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of DARS' 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.

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 expected nominal rate of return is 9.45% for the year ended June 30, 2018.

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

The best estimates of arithmetic real rates of return for each major asset class based on the DARS' target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equities	61.72%	10.82%
Fixed income	28.95%	6.36%
Alternatives	8.85%	10.50%
Cash	0.48%	0.50%
Totals	100.00%	6.95%
Inflation		2.50%
Expected Real Rate of Return		9.45%

**Discount Rate**

The discount rate used to measure the total pension liability for DARS was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of each of DARS's actuary. Based on those assumptions, DARS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate.**

The following presents the Office's proportionate share of the Net Pension Liability using the discount rate of 6.50%, as well as what the Office's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Discount Rate	5.50%	6.50%	7.50%
Share of NPL	\$ 90,142	\$ 33,480	\$ (14,725)

**Office of the District Attorney of the 34<sup>th</sup> Judicial District**  
**Notes to Financial Statements**

**NOTE 4: PENSION PLAN (CONTINUED)**

**Support of Non-employer Contributing Entities**

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Office recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2018, the Office recognized revenue as a result of support received from non-employer contributing entities of \$9,093.

**Pension Plan Fiduciary Net Position**

DARS issues publicly available financial reports that includes financial statements and required supplementary information for the system. Detailed information about the DARS's fiduciary net position is available in the separately issued financial report. This report may be obtained by visiting the Louisiana Legislative Auditor's website at [www.la.gov](http://www.la.gov) and searching under the Reports section.

**NOTE 5: RISK MANAGEMENT**

The Office is insured against various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters through the St. Bernard Parish Government's self-insurance fund.

**NOTE 6: ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

The State of Louisiana and the St. Bernard Parish Government pay a portion of the salaries and benefits of the Office. The 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. For the year ended December 31, 2018, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Codification Section N50 *Nonexchange Transactions*, as intergovernmental revenues and expenditures as follows:

General Fund:	
State of Louisiana	\$ 418,507
St. Bernard Parish Government	1,394,820
Total on-behalf payments	<b>\$ 1,813,327</b>

These expenditures are included in personnel services expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance.



**Required Supplementary  
Information (Part II)**

**Office of the District Attorney of the 34th Judicial District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**

For the Year Ended December 31,

**2018**

	<u>Budgetary Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Court costs, fines and fees	\$ 119,250	\$ 119,250	\$ 97,617	\$ (21,633)
Bond forfeitures	85,000	85,000	101,964	16,964
Intergovernmental revenues - on-behalf payments	-	1,813,327	1,813,327	-
Asset forfeitures	-	-	25,486	25,486
Diversion program fees	215,000	215,000	143,875	(71,125)
Victims of crime assistance	34,894	34,894	18,152	(16,742)
Traffic and safety	-	-	7,114	7,114
Victims assistance	30,000	30,000	32,500	2,500
Interest income	10,000	10,000	21,951	11,951
<b>Total Revenues</b>	<b>494,144</b>	<b>2,307,471</b>	<b>2,261,986</b>	<b>(45,485)</b>
<b>Expenditures</b>				
General government:				
Personnel services	264,650	2,077,977	2,144,568	(66,591)
Office expense	121,200	121,200	92,010	29,190
Contract services	-	-	22,287	(22,287)
Program services	71,394	71,394	40,248	31,146
Auto and travel	35,900	35,900	26,306	9,594
Repair and maintenance	1,000	1,000	-	1,000
<b>Total Expenditures</b>	<b>494,144</b>	<b>2,307,471</b>	<b>2,325,419</b>	<b>(17,948)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	5,117	(5,117)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(58,316)</b>	<b>(58,316)</b>
Fund Balances, Beginning of Year	2,153,439	2,153,439	2,153,439	-
<b>Fund Balances, End of Year</b>	<b>\$ 2,153,439</b>	<b>\$ 2,153,439</b>	<b>\$ 2,095,123</b>	<b>\$ (58,316)</b>

*See independent auditors' report.*

Office of the District Attorney of the 34th Judicial District  
Schedule of Proportionate Share of Net Pension Liability

For the Year Ended June 30,	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
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**District Attorneys' Retirement System of Louisiana**

2018	0.104042%	\$ 33,480	\$ 64,685	52%	92.9%
2017	0.102004%	\$ 27,513	\$ 64,685	43%	93.6%
2016	0.080170%	\$ 15,345	\$ 62,000	25%	95.1%

\*Amounts presented were determined as of the measurement date (June 30).

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

**Notes to the Required Supplementary Information**

***Changes in Benefit Terms***

There were no changes of benefit terms for the year ended June 30, 2018.

***Changes of Assumptions***

The investment rate of return was decreased from 7.00% to 6.75% for the valuation year ended June 30, 2017.

The investment rate of return was decreased from 6.75% to 6.50% for the valuation year ended June 30, 2018.

The expected remaining service lives increased from 6 years to 7 years for the valuation year ended June 30, 2016.

The expected remaining service lives decreased from 7 years to 6 years for the valuation year ended June 30, 2018.

**Office of the District Attorney of the 34th Judicial District  
Schedule of Employer Contributions to Pension Fund**

Year Ended December 31	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
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**District Attorneys' Retirement System of Louisiana**

2018	\$ 404	\$ 404	\$ -	\$ 64,685	0.62%
2017	\$ -	\$ -	\$ -	\$ 64,685	0.00%
2016	\$ 1,038	\$ 1,038	\$ -	\$ 64,695	1.75%

\*Amounts presented were determined as of the end of the fiscal year (December 31).

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



**Other Supplementary Information**

**Office of the District Attorney of the 34th Judicial District  
Schedule of Compensation, Benefits, and Other Payments to Agency Head**

For the Year Ended December 31,

**2018**

**Agency Head Name:** Perry M. Nicosia (District Attorney)

**Purpose**

Salary	\$	64,685
Fuel usage		1,603
Cell phone		1,222
Benefits-retirement		821
Conference travel		511

<b>Total paid by Office of the District Attorney of the 34th Judicial District</b>		68,842
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On-behalf payments for salaries and fringe benefits:

Salaries from the state of Louisiana		50,000
Salaries from the Parish of St. Bernard		45,315
Retirement benefits from the state of Louisiana		1,038
Retirement benefits from the Parish of St. Bernard		793

<b>Total on-behalf payments</b>		97,146
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<b>TOTAL</b>	\$	165,988
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the District Attorney of the 34<sup>th</sup> Judicial District  
Chalmette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Office of the District Attorney of the 34<sup>th</sup> Judicial District (the "Office"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements and have issued our report thereon dated June 26, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office'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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

## **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 Office'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 Office's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Caru, Riggs & Ingram, L.L.C.*

June 26, 2019



**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Schedule of Current Year Findings and Responses**

**Part I – Financial Statement Findings**

No findings noted for the year ended December 31, 2018.

**Part II – Compliance**

No findings noted for the year ended December 31, 2018.



**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Summary Schedule of Prior Audit Findings**

**Part I – Financial Statement Findings**

No findings noted for the year ended December 31, 2017.

**Part II – Compliance**

No findings noted for the year ended December 31, 2017.



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Perry Nicosia  
Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Chalmette, Louisiana

We have performed the procedures enumerated below, which were agreed to the Office of the District Attorney of the 34<sup>th</sup> Judicial District (the Office) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 30, 2018. The Office is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Bank Reconciliations***

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1. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

**Results:** No exceptions were found as a result of applying the above procedure.

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;

**Results:** No exceptions were found as a result of applying the above procedure.

- b) Bank reconciliations includes evidence that a member of management or a board member who does not handle cash, post ledger, or issue checks has reviewed each bank reconciliation; and

**Results:** No exceptions were found as a result of applying the above procedure.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Results:** There was no documentation of research of outstanding reconciling items. We consider this to be an exception.

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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- 2. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select five locations (or all locations if less than five).

**Results:** No exceptions were found as a result of applying the above procedure.

- 3. For the location selected under #2 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Results:** No exceptions were found as a result of applying the above procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

**Results:** No exceptions were found as a result of applying the above procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results:** No exceptions were found as a result of applying the above procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** The signed checks are given to the employee responsible for processing payments. We consider this to be an exception.

- 4. For the locations selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for the location, obtain supporting documentation for each transaction and.

**Results:** No exceptions were found as a result of applying the above procedure.

- e) Observe that the disbursement matched the related original invoice/billing statement.

**Results:** No exceptions were found as a result of applying the above procedure.

- f) Observe that the disbursement documentation included evidence of segregation of duties tested as applicable.

**Results:** No exceptions were found as a result of applying the above procedure.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Cary Riggs & Ingram, L.L.C.*

June 26, 2019