

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

**FINANCIAL STATEMENTS**

**December 31, 2020**



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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, the 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, 2020, 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, the major fund, and the aggregate remaining fund information of the Office as of December 31, 2020, 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**

As discussed in Note 2 to the financial statements, the Office implemented GASB Statement No. 84, *Fiduciary Activities*, resulting in a change in accounting principle and a restatement of \$4,732 to the December 31, 2019 fiduciary net position. Our opinion was not modified with respect to those matters.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the required supplementary pension 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 and justice system funding schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying schedule of compensation, benefits and other payments to agency head and justice system funding schedules are the responsibility of management and were 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 and justice system funding schedules are 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 30, 2021 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.

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

Metairie, LA  
June 30, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **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 \$1,594,055, which represent a 15.11% decrease from last year.

The Office's revenues increased by \$1,094,761 (or 46.14%), principally due to the increase in on-behalf payroll paid by St. Bernard Parish and an increase in grants during the current year.

The Office's expenses increased by \$1,094,547, which represents a 41.20% principally due to the increase in on-behalf payroll paid by St. Bernard Parish and the State of Louisiana, as well as an increase in expenses related to the COVID-19 pandemic.

### **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 views 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.

### **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 custodial fund net position and changes in fiduciary net position. The fund accounted for in this category by the Office is the Bond Forfeitures Fund.

### **NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided for 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, 2020, assets and deferred outflows exceed liabilities and deferred inflows by \$1,594,055.



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

**CONDENSED STATEMENTS OF NET POSITION**

	2020	2019	Dollar Change	Total % Change
Current and other assets	\$ 1,586,391	\$ 1,875,824	\$ (289,433)	-15.43%
Capital assets	65,843	41,161	24,682	59.96%
Total assets	1,652,234	1,916,985	(264,751)	-13.81%
Deferred outflows of resources	82,042	34,987	47,055	134.49%
Total assets and deferred outflows	1,734,276	1,951,972	(217,696)	-11.15%
Total liabilities	130,100	61,864	68,236	110.30%
Deferred inflows of resources	10,121	12,257	(2,136)	-17.43%
Total liabilities and deferred inflows	140,221	74,121	66,100	89.18%
Net position:				
Invested in capital assets	65,843	41,161	24,682	59.96%
Unrestricted	1,528,212	1,836,690	(308,478)	-16.80%
Total net position	\$ 1,594,055	\$ 1,877,851	\$ (283,796)	-15.11%

**GOVERNMENTAL ACTIVITIES**

Governmental activities decreased the Office's net assets by \$283,796. Key elements of this decrease are:

**CONDENSED STATEMENTS OF ACTIVITIES**

	2020	2019	Dollar Change	Total % Change
Revenues:				
Asset and bond forfeitures	\$ 74,768	\$ 48,887	\$ 25,881	52.94%
Court costs, fines and fees	97,545	107,292	(9,747)	-9.08%
Intergovernmental revenues and on-behalf payments	3,016,678	1,948,311	1,068,367	54.84%
Diversion program fees	88,216	103,361	(15,145)	-14.65%
Victims assistance	30,000	30,000	-	0.00%
Interest income	8,759	41,239	(32,480)	-78.76%
Non-employer pension contribution	13,189	10,336	2,853	27.60%
Victims of crime assistance	84,399	42,516	41,883	98.51%
Child support grant	30,721	30,947	(226)	-0.73%
Pre-trial intervention	22,186	8,190	13,996	170.89%
DA Traffic and Safety	1,001	1,622	(621)	-38.29%
Total revenues	3,467,462	2,372,701	1,094,761	46.14%

## 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>3,751,258</b>	2,656,711	1,094,547	41.20%
<b>Total Expenses:</b>	<b>3,751,258</b>	2,656,711	1,094,547	41.20%
Change in net position	<b>(283,796)</b>	(284,010)	214	-0.07%
Net position beginning of year	<b>1,877,851</b>	2,161,861	(284,010)	-13.14%
Net position end of year	<b>\$ 1,594,055</b>	\$ 1,877,851	\$ (283,796)	-15.11%

### 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, unassigned 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 \$1,561,878, a decrease of \$287,493 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 \$1,561,878.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The District Attorney adopted a budget during 2020 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 higher than budgetary estimates by \$26,795 and expenditures were less than budgetary estimates by \$20,955.

#### CAPITAL ASSETS

The Office's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$65,843 (net of accumulated depreciation). This investment in capital assets includes vehicles and facility improvements net of any related debt.

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

As of December 31,	2020	2019
Vehicles	\$ 166,771	\$ 119,528
Facility improvements	12,000	12,000
Less accumulated depreciation	(112,928)	(90,367)
<b>Total</b>	<b>\$ 65,843</b>	<b>\$ 41,161</b>

**ECONOMIC FACTORS AND 2021 BUDGET**

When preparing the Office's budget for 2021, the increase in bond forfeiture revenues and decrease 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.

## **BASIC FINANCIAL STATEMENTS**

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

<b>December 31,</b>	<b>2020</b>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,535,561
Due from other governments	50,830
<b>Total current assets</b>	<b>1,586,391</b>
<b>Noncurrent Assets</b>	
Capital assets, net of depreciation	65,843
<b>Total assets</b>	<b>1,652,234</b>
<b>Deferred Outflows of Resources</b>	
Deferred amounts related to pension liability	82,042
<b>Total deferred outflows of resources</b>	<b>82,042</b>
<b>Liabilities</b>	
Accounts payable	24,513
Non-current liabilities:	
Net pension liability	105,587
<b>Total liabilities</b>	<b>130,100</b>
<b>Deferred Inflows of Resources</b>	
Deferred amounts related to pension liability	10,121
<b>Total deferred inflows of resources</b>	<b>10,121</b>
<b>Net Position</b>	
Net investment in capital assets	65,843
Unrestricted	1,528,212
<b>Total net position</b>	<b>\$ 1,594,055</b>

*The accompanying notes are an integral part of these financial statements.*

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

<i>For the Year Ended December 31, 2020</i>	Program Revenues		Net (Expense) Revenue and Change in Net Position	
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
General government	\$ 3,751,258	283,716	145,120	\$ (3,322,422)

General revenues	
Intergovernmental revenues - on-behalf payments	3,016,678
Interest and investment earnings	8,759
Non-employer pension contributions	13,189
Total General Revenues	3,038,626
Change in net position	(283,796)
Net position, beginning of year	1,877,851
Net position, end of year	\$ 1,594,055

*The accompanying notes are an integral part of these financial statements.*

**Office of the District Attorney of the 34th Judicial District  
Balance Sheet - Governmental Funds**

<i>December 31, 2020</i>	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 1,535,561
Due from other governmental entities:	
Due from St. Bernard Parish Sheriff's Office:	
Commission on fines	1,954
Bond premium fees	8,345
Court costs	652
Contempt fees	60
Due from other governments	39,819
Total assets	\$ 1,586,391
<b>Liabilities and fund balance</b>	
Liabilities	
Accounts payable	\$ 20,723
Due to bond forfeiture fund	3,790
Total liabilities	24,513
Fund balance	
Unassigned	1,561,878
Total fund balance	1,561,878
Total liabilities and fund balance	\$ 1,586,391

*The accompanying notes are an integral part of these financial statements.*

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

December 31,

2020

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Total fund balance at December 31, 2020 - governmental funds	\$	1,561,878
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$	178,771	
Less accumulated depreciation		(112,928)	65,843

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The net pension liabilities are not due and payable in the current period; therefore, the liabilities are related deferred inflows/outflows are not reported in the funds:

Deferred outflows - pension		82,042	
Deferred inflows - pension		(10,121)	
Net pension liability		(105,587)	(33,666)

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Net position of governmental activities	\$	1,594,055
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*The accompanying notes are an integral part of these financial statements.*



**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, 2020*

General Fund

**Revenues**

Intergovernmental revenues - on-behalf payments	\$	3,016,678
Diversion program fees		88,216
Bond forfeitures		74,768
Court costs, fines and fees		97,545
Victims assistance grant		30,000
Victims of crime assistance grant		84,399
Child support grant		30,721
Interest income		8,759
Pre-trial intervention		22,186
DA traffic and safety		1,001
<hr/>		
Total revenues		3,454,273

**Expenditures**

Current

General government		
Personnel services		3,421,967
Office expense		152,471
Contract services		62,884
Program services		42,068
Auto and travel		14,753
Repair and maintenance		380
Capital outlay		47,243
<hr/>		

Total expenditures		3,741,766
<hr/>		
Net change in fund balance		(287,493)
Fund balance, beginning of year		1,849,371
<hr/>		
Fund balance, end of year	\$	1,561,878

*The accompanying notes are an integral part of these financial statements.*

**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**

December 31,

2020

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Total net change in fund balance - governmental funds \$ (287,493)

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

Capital outlay additions	47,243	
Depreciation expense	(22,561)	24,682

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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:

Change in deferred outflows of resources - pension deferrals	47,055	
Change in deferred inflows of resources - pension deferrals	2,136	
Pension expense	(70,176)	(20,985)

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Change in net position of governmental activities \$ (283,796)

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*The accompanying notes are an integral part of these financial statements.*

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

<i>December 31, 2020</i>	Custodial Fund - Bond Forfeitures
<hr/>	
<b>Assets</b>	
Due from other governments	\$ 4,732
<hr/>	
Total assets	4,732
<hr/> <hr/>	
<b>Net Position</b>	
Restricted for other governments	\$ 4,732
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements.*

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

<i>For the Year Ended December 31, 2020</i>	Custodial Fund - Bond Forfeitures
<b>Additions</b>	
Bond forfeitures collected	\$ 174,458
<b>Total additions</b>	<b>174,458</b>
<b>Deductions</b>	
Payments to St. Bernard Parish Sheriff	174,458
<b>Total deductions</b>	<b>174,458</b>
Change in net position	-
Net position, beginning of year	-
Prior period restatement for implementation of GASB 84	4,732
<b>Net position, beginning of year, as restated</b>	<b>4,732</b>
<b>Net position, end of year</b>	<b>\$ 4,732</b>

*The accompanying notes are an integral part of these financial statements.*

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

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 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.

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.

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

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Government-wide and Fund 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Intergovernmental revenues and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund and the fiduciary fund, even though the latter is excluded from the government-wide financial statements.

#### ***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 grant payments are recorded in the year they are earned. Interest income on cash balances is recorded when the income is available.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources. Allocations of cost such as depreciation are not recognized in the governmental funds.

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

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)*

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received.

#### *Fund Financial Statements*

The fund financial statements provide information about the Office's funds, including its fiduciary fund. Separate statements for each fund category—governmental and fiduciary—are presented.

The following is the governmental fund 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.

The fiduciary fund is used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. The custodial fund is purely custodial and do not involve measurement of results of operations.

The fiduciary fund reporting focuses on fiduciary net position and changes in fiduciary net position. The only fund accounted for in this category is the custodial fund. The custodial fund accounts for assets held by the Office as an agent for other governments, and the assets are not derived from the Office's own-source revenues or from government-mandated non-exchange transactions or voluntary non-exchange transactions. The custodial fund uses the modified accrual basis of accounting. The Office maintains one custodial fund as follows:

*Bond Forfeitures Fund* – The Bond Forfeitures Custodial fund receives 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. The funds are to be allocated 50% to the St. Bernard Parish Sheriff's Office and 50% to the Office.

#### *Budgetary Information*

##### *Budgetary basis of accounting*

The General Fund annual budget is adopted on the budgetary basis of accounting and does not include on-behalf payments for salaries and benefits as described in Note 7. 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.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Budgetary Information (continued)***

The appropriated budget is prepared by function and the legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. 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.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments).

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity***

*Cash and cash equivalents*

The Office's cash and cash equivalents are considered to be cash on hand, demand deposits, and demand deposits held with the Louisiana Asset Management Pool (LAMP).

*Accounts Receivable*

Management is of the opinion that there will be no material losses in the collection of accounts receivable. No allowance for uncollectible accounts has been provided.

*Capital Assets*

Capital assets, which include property, plant, and equipment are reported in the government-wide financial statements. Capital assets are defined by the Office as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year.

As the Office acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
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.

The Office reviews the property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.



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

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### *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(s) 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. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

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. The *deferred inflows related to pensions* are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

#### *Compensated Absences*

The Office's policy permit employees to earn from 10 to 25 days of annual leave each year depending on length of service. Annual leave accumulated in one year must be used by December 31st of the following year except for 5 days may roll into the New Year. Employees accrue one day of sick leave for each month of continuous employment. Sick leave may be accumulated to a maximum of 90 days. Accumulated sick leave lapses when employees leave the employ of the Office and, accordingly upon separation from service, no monetary obligation exists.

The District Attorney's portion of accumulated annual leave is nominal at December 31, 2020. Therefore, a liability for compensated absences due to employees has not been included in the basic financial statements.

#### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, 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.

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

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### *Net Position Classifications*

*Net position flow assumption* – Sometimes the Office will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Office’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Equity is classified as net position and displayed in three components:

*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.

*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. There was no restricted net position as of December 31, 2020.

*Unrestricted net position* - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

#### *Fund Balance Classifications*

*Fund balance flow assumption* – 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.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Office itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

*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, 2020.

*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, 2020.

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

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### *Fund Balance Classifications (continued)*

*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, 2020.

*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, 2020.

*Unassigned* - all other spendable amounts.

#### **Revenues and Expenditures/Expenses**

*Program revenues* – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

*General revenues and special items* – Amounts reported as *general revenues and special items* include 1) on-behalf payments for salaries and fringe benefits, 2) interest and investment earnings, and 3) non-employer pension contributions.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the pension liability.

#### **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

#### **Recently Implemented 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 implemented GASB 84 for the year ending December 31, 2020, which resulted in a prior period adjustment due to the change in accounting principle (Note 2).

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

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### ***Future Accounting Pronouncements***

In June 2017, the GASB issued Statement No. 87, *Leases*. The 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 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 receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

The Office is evaluating the requirements of the above statements and the impact on reporting.

### **Note 2: CHANGE IN ACCOUNTING PRINCIPLE**

In 2020, the Office implemented GASB Statement No. 84, *Fiduciary Activities*. The Office has a prior period adjustment of \$4,732 which was required for restating the prior period balance of fiduciary net position.

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

**Note 3: CASH AND CASH EQUIVALENTS**

***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.

*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, 2020, are secured as follows:

Bank Balance	\$ 709,228
Insured	\$ 709,228
Collateralized by pledging bank in the Office’s name	-
Total	\$ 709,228

As of December 31, 2020, the Office’s total bank balance was not exposed to custodial risk.

***Deposits with Louisiana Asset Management Pool***

At December 31, 2020, the Office had deposits of \$868,077 with the Louisiana Asset Management Pool (LAMP), which is included in cash and cash equivalents 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.

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.

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

**Note 3: CASH AND CASH EQUIVALENTS (CONTINUED)**

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 4: CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital assets being depreciated				
Facility improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Automobiles	119,528	47,243	-	166,771
Less accumulated depreciation for				
Facility improvements	(4,400)	(600)	-	(5,000)
Automobiles	(85,967)	(21,961)	-	(107,928)
<b>Total capital assets, net</b>	<b>\$ 41,161</b>	<b>\$ 24,682</b>	<b>\$ -</b>	<b>\$ 65,843</b>

**Note 5: 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.

***Plan Description***

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

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

### Notes to Financial Statements

#### **Note 5: PENSION PLAN (CONTINUED)**

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.

Members who joined DARS after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for 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 (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

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

**Note 5: PENSION PLAN (CONTINUED)**

***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.

***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.



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

**Note 5: PENSION PLAN (CONTINUED)**

***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 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, 2021 and for the year ended June 30, 2020, the actual employer contribution rate was 4.00%. For the year ending June 30, 2021 and for the year ended June 30, 2020, the actuarially determined employer contribution rate was 8.99% and 3.38%, 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 \$4,027 for the year ended December 31, 2020.

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, 2020.

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

At December 31, 2020, the Office reported a liability of \$105,587 for its proportionate share of the Net Pension Liability (NPL) of DARS. The NPL was measured as of June 30, 2020, 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, 2020, the Office's proportionate share was 0.133271%, which was an increase of 0.023198% from its proportionate share measured at June 30, 2019.

For the year ended December 31, 2020, the Office recognized a total pension expense of \$38,149, plus the Office's amortization of the difference between employer contributions and proportionate share of contributions of \$(3,247).

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

**Note 5: 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:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>DARS</u>		
Differences between expected and actual experience	\$ 5,030	\$ 10,080
Net difference between projected and actual earnings on pension plan investments	17,118	-
Changes in assumptions	47,402	-
Changes in proportion to and differences between the District Attorney's contributions and its proportionate share of contributions	10,478	41
The Office's contributions subsequent to measurement date	2,014	-
<b>Total DARS</b>	<b>\$ 82,042</b>	<b>\$ 10,121</b>

Deferred outflows of resources of \$2,014 related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount of Amortization</u>
2021	\$ 16,329
2022	16,995
2023	17,715
2024	10,416
2025	8,452

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation date	June 30, 2020
Actuarial cost method	Entry age normal cost
Investment rate of return	6.25% net of investment expense
Inflation rate	2.30% per annum
Salary increases	5.00% (2.30% Inflation, 2.70% Merit)

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

**Note 5: PENSION PLAN (CONTINUED)**

Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale.
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, 2014 through June 30, 2019. 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 8.50% for the year ended June 30, 2020.

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, 2020 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equities	48.27%	5.54%
Fixed income	24.54%	1.09%
Alternatives	26.77%	1.87%
Cash	0.42%	0.00%
Totals	100.00%	6.11%
Inflation		2.39%
Expected Real Rate of Return		8.50%

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

**Note 5: PENSION PLAN (CONTINUED)**

***Discount Rate***

The discount rate used to measure the total pension liability for DARS was 6.25%. 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 actuaries. 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 6.25%, 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 (5.25%) or one percentage-point higher (7.25%) than the current rate:

	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
Discount Rate	5.25%	6.25%	7.25%
Share of NPL	\$ 192,875	\$ 105,587	\$ 32,444

***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, 2020, the Office recognized revenue as a result of support received from non-employer contributing entities of \$13,189.

***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 6: 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.

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

**Note 7: 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, 2020, 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	\$	460,655
St. Bernard Parish Government		2,556,023
<hr/>		
Total on-behalf payments	<b>\$</b>	<b>3,016,678</b>

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

**Note 8: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Office. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Office of the District Attorney of the 34th Judicial District**  
**Budgetary Comparison Schedule**  
**General Fund - Budgetary Basis**

*For the Year Ended December 31,*

*2020*

	<u>Budgetary Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Court costs, fines and fees	\$ 91,800	\$ 91,800	\$ 97,545	\$ 5,745
Bond forfeitures	75,000	75,000	74,768	(232)
Diversion program fees	140,000	90,000	88,216	(1,784)
Victims assistance	80,000	30,000	30,000	-
Victims of crime assistance	36,000	80,000	84,399	4,399
Child support grant	30,000	30,000	30,721	721
Pre-trial intervention	5,000	5,000	22,186	17,186
DA traffic and safety	-	-	1,001	1,001
Interest income	40,000	9,000	8,759	(241)
<b>Total Revenues</b>	<b>497,800</b>	<b>410,800</b>	<b>437,595</b>	<b>26,795</b>
<b>Expenditures</b>				
General government:				
Personnel services	316,500	407,500	405,289	2,211
Office expense	91,400	156,400	152,471	3,929
Contract services	28,500	73,500	62,884	10,616
Program services	34,900	34,900	42,068	(7,168)
Auto and travel	23,900	23,900	14,753	9,147
Repair and maintenance	2,600	2,600	380	2,220
Capital outlay	-	47,243	47,243	-
<b>Total Expenditures</b>	<b>497,800</b>	<b>746,043</b>	<b>725,088</b>	<b>20,955</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(335,243)</b>	<b>(287,493)</b>	<b>47,750</b>
Fund Balances, Beginning of Year	1,849,371	1,849,371	1,849,371	-
Fund Balances, End of Year	\$ 1,849,371	\$ 1,514,128	\$ 1,561,878	\$ 47,750

**Explanation of differences:**

The Office does not budget for on-behalf payments made by the State of Louisiana or the Parish of St. Bernard.

Intergovernmental revenues - on-behalf payments	\$ 3,016,678
Personnel services expense - on-behalf payments	(3,016,678)
<b>Net change in fund balance - budget to GAAP</b>	<b>\$ -</b>

**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**

2020	0.133271%	\$ 105,587	\$ 82,685	128%	84.9%
2019	0.110073%	\$ 35,411	\$ 64,685	55%	93.1%
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 four years ended June 30, 2020.

***Changes of Assumptions***

The expected remaining service lives increased from 6 years to 7 years for the valuation year ended June 30, 2017. 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% and the expected remaining service lives decreased from 7 years to 6 years for the valuation year ended June 30, 2018. The investment rate of return was decreased from 6.50% to 6.25%, and projected salary increases was decreased from 5.50% to 5.00% for the valuation year ended June 30, 2020.



**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**

2020	\$ 4,027	\$ 4,027	\$ -	\$ 100,685	4.00%
2019	\$ 1,698	\$ 1,698	\$ -	\$ 64,685	2.63%
2018	\$ 404	\$ 404	\$ -	\$ 64,685	0.62%
2017	\$ -	\$ -	\$ -	\$ 64,685	0.00%
2016	\$ 1,038	\$ 1,038	\$ -	\$ 64,695	1.60%

\*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,* *2020*

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

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Purpose			
Salary	\$	64,685	
Fuel usage		2,601	
Cell phone		864	
Benefits-retirement		2,907	
Conference travel		1,551	
Total paid by Office of the District Attorney of the 34th Judicial District			72,608
On-behalf payments for salaries and fringe benefits:			
Salaries from the State of Louisiana		53,154	
Salaries from the Parish of St. Bernard		45,315	
Benefits from the State of Louisiana		2,897	
Benefits from the Parish of St. Bernard		13,469	
Total on-behalf payments			114,835
TOTAL			\$ 187,443

**Judicial Expense Fund for Civil District Court of the Parish of Orleans**  
**Justice System Funding Schedule - Collecting/Disbursing Entity**  
**Cash Basis Presentation**

<i>For the year ended December 31, 2020</i>	First Six Month Period Ended June 30, 2020	Second Six Month Period Ended December 31, 2020
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 3,338	\$ 2,163
Add: Collections		
Bond Fees	178,475	70,750
Pre-Trial Diversion Program Fees	40,454	47,762
Other-Traffic & Safety	2,110	-
Subtotal Collections	221,039	118,512
Less: Disbursements To Governments and Nonprofits:		
<i>St. Bernard Parish Criminal Court Fund, Bond Fees</i>	44,619	17,688
<i>St. Bernard Parish Public Defender's Office, Bond Fees</i>	35,695	14,150
<i>St. Bernard Parish Sheriff's Office, Bond Fees</i>	44,619	17,688
<i>St. Bernard Parish Sheriff's Office, Other - Traffic &amp; Safety</i>	1,622	1,001
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	-	-
Bond Fees	53,542	21,225
Pre-Trial Diversion Program Fees	38,242	45,685
Other - Traffic & Safety	1,617	1,001
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	2,258	2,237
Subtotal Disbursements/Retainage	222,214	120,675
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 2,163	\$ -

**Judicial Expense Fund for Civil District Court of the Parish of Orleans**  
**Justice System Funding Schedule - Receiving Entity**  
**Cash Basis Presentation**

	First Six Month Period Ended June 30, 2020	Second Six Month Period Ended December 31, 2020
<i>For the year ended December 31, 2020</i>		
<b>Receipts From:</b>		
<i>St. Bernard Parish Sheriff's Office, Bond Fees</i>	\$ 19,992	\$ 31,028
<i>St. Bernard Parish Sheriff's Office, Criminal Court Costs/Fees</i>	4,818	5,856
<i>St. Bernard Parish Sheriff's Office, Criminal Fines - Other</i>	13,840	18,000
<b>Subtotal Receipts</b>	<b>\$ 38,650</b>	<b>\$ 54,884</b>
<b>Ending Balance of Amounts Assessed but Not Received</b>	<b>\$ -</b>	<b>\$ -</b>

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**



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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 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, 2020, 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 30, 2021.

**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.

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

Metairie, LA  
June 30, 2021



**Office of the District Attorney of the 34<sup>th</sup> Judicial District  
Schedule of Findings and Responses  
For the Year Ended December 31, 2020**

**SECTION I—SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements*

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued:   | Unmodified    |
| 2. Internal control over financial reporting:                                   |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified no considered to be material weaknesses? | None reported |
| c. Noncompliance material to the financial statements noted?                    | No            |

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – PRIOR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

No matters were reported.