

**DISTRICT ATTORNEY OF THE
TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Audit of Financial Statements

December 31, 2018



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Independent Auditor's Report

Honorable Charles Ballay
District Attorney of the Twenty-Fifth Judicial District
Plaquemines Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Twenty-Fifth Judicial District (the District Attorney), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 9 and 41 and 42, respectively, and the supplementary schedules required by Governmental Accounting Standards Board Statement No. 68 on pages 43 and 44, 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 Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of the District Attorney of the Twenty-Fifth Judicial District'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 District Attorney of the Twenty-Fifth Judicial District'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 District Attorney of the Twenty-Fifth Judicial District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
June 28, 2019

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

**Management's Discussion and Analysis
For the Year Ended December 31, 2018**

As management of the District Attorney of the Twenty-Fifth Judicial District, Parish of Plaquemines, Louisiana (the District Attorney), we present this narrative overview and analysis of the financial activities of the District Attorney for the fiscal year ended December 31, 2018.

This Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy comprehensive analysis of the District Attorney's financial activities based on currently known facts, decisions, or conditions. It is intended to provide a broad overview of the District Attorney's finances. It is also intended to provide readers with an analysis of the District Attorney's fiscal policies that have been adopted. This section is specifically designed to focus on significant financial issues, provide a broad view of the District Attorney's financial activity, identify changes in the District Attorney's financial position (its ability to address the next and subsequent year challenges), identify any deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. All sections of this report should be read and evaluated including the footnotes and the other Required Supplementary Information (RSI) that is provided in addition to this MD&A.

Overview of the Financial Statements

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

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

1. Government-Wide Financial Statements

Government-wide financial statements are designed by Governmental Accounting Standards Board (GASB) Statement No. 34, as amended by GASB Statement No. 63, to change the way in which government financial statements are presented. For the first time, concise entity-wide statement of net position and statement of activities are provided to give the user of the financial statements a broad overview of the District Attorney's financial position and results of operations in a manner similar to a private-sector business.

The statement of net position provides information on all of the District Attorney's assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. The difference between the assets and liabilities is reported as net position. Increases or decreases in net position over time could become a useful indicator of whether the financial position of the District Attorney is improving or weakening.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

**Management's Discussion and Analysis
For the Year Ended December 31, 2018**

The statement of activities depicts the change in the District Attorney's net position during the most recent year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees).

Governmental Activities

The governmental activities of the District Attorney include the general government, commissions on fines and forfeitures, court costs, and federal and state grant funds.

2. Fund Financial Statements

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

Governmental funds are used to account for the District Attorney's services and are reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides. Governmental fund information assists in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This method provides a better understanding of the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. These reconciliations are located on pages 15 and 17.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2018

3. Notes to the Financial Statements

The notes to the financial statements provide additional information that is necessary for a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 18 through 39 of this report.

4. Required Supplementary Information

In addition to the basic financial statements and associated notes, this report presents certain required supplementary information. This information can be found beginning on page 41 of this report.

Budgetary Comparison Schedules - The District Attorney adopts a budget for its General Fund and Worthless Checks Collection Fee Fund each fiscal year. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with these budgets.

Schedules Required by GASB Statement No. 68 - The District Attorney participates in two pension plans which are described in Note 6. GASB Statement No. 68 requires schedules showing the District Attorney's proportionate share of the net pension liability and the District Attorney's contributions for each pension plan.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations:

- The District Attorney's program revenues increased from \$1,687,371 for 2017 to \$1,708,160 for 2018, which is due primarily to the District Attorney receiving more on-behalf payments from Plaquemines Parish Government and the State of Louisiana during 2018.

The statement of net position and the statement of activities report only one type of activity: governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public and on-behalf payments finance most of these activities.

Our analysis on the next page focuses on the net position of the governmental-type activities.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2018

Financial Analysis as a Whole

Condensed Statement of Net Position

	2018	2017
Current and Other Assets	\$ 1,744,847	\$ 1,718,776
Capital Assets, Net of Accumulated Depreciation	22,904	25,820
Total Assets	1,767,751	1,744,596
Deferred Outflows of Resources	42,602	56,522
Current Liabilities	3,546	3,569
Noncurrent Liabilities	32,947	52,302
Total Liabilities	36,493	55,871
Deferred Inflows of Resources	36,798	23,840
Net Position		
Net Investment in Capital Assets	22,904	25,820
Restricted	54,729	52,636
Unrestricted	1,659,429	1,642,951
Total Net Position	\$ 1,737,062	\$ 1,721,407

The District Attorney's investment in current assets, which includes cash, investments, receivables, and other assets, was \$1,744,847, at December 31, 2018. The District Attorney's investment in capital assets (e.g. equipment, furniture, etc.) was 1.32% of its net position. There was no related debt used to acquire the assets. The District Attorney uses capital assets to provide services to citizens; therefore, these assets are not available for future spending.

The District Attorney's restricted net position was 3.15% of its net position. These restricted amounts relate to the Title IV-D Program and the Worthless Checks Collection Fee Fund.

The District Attorney had \$1,419 in outstanding accounts payable, \$2,127 in other current liabilities, and a net pension liability of \$32,947, at December 31, 2018. The unrestricted net position of \$1,659,429, may be used to defray the District Attorney's ongoing obligations to citizens and creditors.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2018

Deferred outflows and inflows of resources at December 31, 2018, represent amounts calculated as a result of the implementation of GASB Statement No. 68. At the end of the 2018 fiscal year, the District Attorney reported positive balances in net position. The same is true for the prior fiscal year.

Condensed Statement of Activities

	2018	2017
Revenues	\$ 1,721,177	\$ 1,692,614
Expenditures	1,705,522	1,681,133
Change in Net Position	\$ 15,655	\$ 11,481

The revenues for the year from governmental activities were \$1,721,177 (\$1,708,160 in program revenues and \$13,017 in general revenues), an increase of \$28,563 as compared to the revenues of \$1,692,614, in 2017. This increase is mostly due to the District Attorney receiving more on-behalf payments from other governments during the current year. The interest earned during 2018 was \$13,017, and is an increase of \$7,774 from the previous year's interest earned of \$5,243. The District Attorney's expenditures for governmental functions were \$1,705,522 for the year, which was an increase of \$23,510 as compared to 2017. The increase in expenditures is primarily due to the recognition of additional salaries and benefits expense that are directly related to the on-behalf payments received from other governments during the year.

Financial Analysis of the Governmental Funds

As of the end of the 2018 fiscal year, the District Attorney's General Fund and the Worthless Checks Collection Fee Fund reported ending fund balances of \$1,694,053 and \$47,248, respectively.

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

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

**Management's Discussion and Analysis
For the Year Ended December 31, 2018**

Capital Assets and Debt Administration

The District Attorney's investment in capital assets for its governmental activities as of December 31, 2018, amounted to \$22,904 (net of accumulated depreciation). This includes equipment and furniture. There was \$4,910 worth of additions during the current fiscal year. Depreciation expense of \$7,826 was recorded for 2018. More detailed information about the capital assets is presented in Note 4 to the financial statements.

At the end of the fiscal year, the District Attorney had no debt outstanding.

Budgetary Highlights

In the General Fund, actual revenues exceeded budget by \$7,585, and budgeted expenditures exceeded actual expenditures by \$541. In the Worthless Checks Collection Fee Fund, budgeted revenues exceeded actual revenues by \$76.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the District Attorney's budget for the 2019 fiscal year:

Expenditures for 2019 should remain level.

There is no surplus or deficit budgeted for the fiscal year ending December 31, 2019.

Contacting the Office's Financial Management

This financial report is designed to provide a general overview of the District Attorney's finances, comply with finance-related laws and regulations, and demonstrate the District Attorney's commitment to public accountability. If you have any questions about this report or would like to request additional financial information, contact the office of the District Attorney of the Twenty-Fifth Judicial District, Parish of Plaquemines, Louisiana, 102 Avenue G, Belle Chasse, Louisiana 70037.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Statement of Net Position
December 31, 2018

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 986,812
Investments - Louisiana Asset Management Pool	712,955
Receivables	35,577
Other Assets	9,503
Capital Assets, Net of Accumulated Depreciation	<u>22,904</u>
Total Assets	<u>1,767,751</u>
Deferred Outflows of Resources	
Pension Obligation	<u>42,602</u>
Total Deferred Outflows of Resources	<u>42,602</u>
Liabilities	
Accounts Payable	1,419
Other Liabilities	2,127
Net Pension Liability	<u>32,947</u>
Total Liabilities	<u>36,493</u>
Deferred Inflows of Resources	
Pension Obligation	<u>36,798</u>
Total Deferred Inflows of Resources	<u>36,798</u>
Net Position	
Net Investment in Capital Assets	22,904
Restricted	54,729
Unrestricted	<u>1,659,429</u>
Total Net Position	<u>\$ 1,737,062</u>

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

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 1,682,212	\$ 260,390	\$ 1,441,085	\$ 6,685	\$ 25,948
LACE	22,690	-	-	-	(22,690)
Project L.E.A.D.	620	-	-	-	(620)
Total	\$ 1,705,522	\$ 260,390	\$ 1,441,085	\$ 6,685	2,638
General Revenues					
Interest Income					13,017
Total General Revenues					13,017
Change in Net Position					15,655
Net Position, Beginning of Year					1,721,407
Net Position, End of Year					<u>\$ 1,737,062</u>

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Worthless Checks Collection Fee - Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 939,564	\$ 47,248	\$ 986,812
Investments - Louisiana Asset Management Pool	712,955	-	712,955
Receivables	35,577	-	35,577
Other Assets	9,503	-	9,503
Total Assets	\$ 1,697,599	\$ 47,248	\$ 1,744,847
Liabilities			
Accounts Payable	\$ 1,419	\$ -	\$ 1,419
Other Liabilities	2,127	-	2,127
Total Liabilities	3,546	-	3,546
Fund Balances			
Restricted	7,481	47,248	54,729
Unassigned	1,686,572	-	1,686,572
Total Fund Balances	1,694,053	47,248	1,741,301
Total Liabilities and Fund Balances	\$ 1,697,599	\$ 47,248	\$ 1,744,847

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

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2018

Fund Balances - Total Governmental Funds	\$ 1,741,301
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used for governmental activities are not financial resources and, therefore, are not reported in the funds.</p>	22,904
<p>The District Attorney follows the requirements of GASB Statement No. 68, which provides for the recognition of pension obligations. This includes the recognition of related deferred outflows and inflows of resources.</p>	5,804
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
<p>Net Pension Liability</p>	<u>(32,947)</u>
<p>Net Position of Governmental Activities</p>	<u>\$ 1,737,062</u>

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

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2018

	General Fund	Worthless Checks Collection Fee - Special Revenue Fund	Total Governmental Funds
Revenues			
Program Revenues			
Intergovernmental Revenue - On-Behalf Payments	\$ 1,424,242	\$ -	\$ 1,424,242
Fees on Fines and Forfeitures	119,261	-	119,261
Fees from Court Costs	52,080	-	52,080
Diversionary Program Revenues	43,525	-	43,525
Incentives for Child Support Collections	43,177	-	43,177
Fees for Worthless Check Collections	-	2,347	2,347
Intergovernmental Revenue - Grants	9,058	-	9,058
Other Revenues			
Other Income	1,566	1,870	3,436
Interest Income	12,971	46	13,017
Total Revenues	1,705,880	4,263	1,710,143
Expenditures			
General Government			
Salaries and Benefits	1,558,594	-	1,558,594
Professional Fees	20,100	1,870	21,970
Office Supplies and Expenses	12,001	-	12,001
Commissions	39,003	-	39,003
Seminars, Meetings, and Travel	6,990	-	6,990
Retirement Contributions	5,707	-	5,707
Dues	4,926	-	4,926
Miscellaneous	3,559	-	3,559
Payroll Taxes	2,053	-	2,053
Public Relations	1,025	-	1,025
LACE	22,690	-	22,690
Project L.E.A.D.	320	300	620
Capital Outlay	4,910	-	4,910
Total Expenditures	1,681,878	2,170	1,684,048
Excess of Revenues Over Expenditures	24,002	2,093	26,095
Net Change in Fund Balances	24,002	2,093	26,095
Fund Balances, Beginning of Year	1,670,051	45,155	1,715,206
Fund Balances, End of Year	\$ 1,694,053	\$ 47,248	\$ 1,741,301

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

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$	26,095
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
		(2,916)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund:</p>		
<p> Contributions Made to the Retirement Plans by Other Governments</p>		
		11,034
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:</p>		
<p> Change in the Net Pension Liability and Related Deferred Amounts</p>		
		<u>(18,558)</u>
Change in Net Position of Governmental Activities	\$	<u>15,655</u>

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

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Introduction

As provided by Louisiana Revised Statute (LRS) 16:1, the District Attorney has charge of every criminal prosecution by the State in his District and is the representative of the State before the grand jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The Twenty-Fifth Judicial District encompasses the Parish of Plaquemines, Louisiana (the Parish).

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements of the District Attorney of the Twenty-Fifth Judicial District (the District Attorney) have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The District Attorney's basic financial statements consist of the government-wide financial statements and the fund financial statements. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by GASB Codification of *Governmental Accounting and Financial Reporting*.

Reporting Entity

The District Attorney of the Twenty-Fifth Judicial District was created by Article V of the Louisiana Constitution of 1974 and Title 16 of the Revised Statutes. The state statutes that create the District Attorneys also give the District Attorneys control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The District Attorney is independent from the District Court System; therefore, it reports as an independent financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney of the Twenty-Fifth Judicial District.

For years beginning after December 15, 1992, GASB Statement No. 14, *The Financial Reporting Entity*, as amended, is effective and requires the presentation of financial statements for the primary government and its component units. A primary government is defined as an entity that has a separately elected governing body, is legally separate (i.e., created as a body corporate), and is fiscally independent of other state or local governments. Any organization that is not legally separate is part of the primary government for financial reporting purposes. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, a component unit may also be an organization whose relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Since the District Attorney is fiscally dependent on the Plaquemines Parish Council, the District Attorney was determined to be a component unit of the Plaquemines Parish Council, the financial reporting entity. The accompanying financial statements present only information on the funds maintained by the District Attorney and do not present information on the Plaquemines Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain District Attorney functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the District Attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District Attorney. The following are the District Attorney's governmental funds, both of which are considered major funds:

General Fund - The General Fund was established in compliance with LRS 15:571.11, which provides that twelve percent of the fines collected and bonds forfeited be remitted to the District Attorney to defray the necessary expenditures of his office. This fund also includes administrative fees collected within the District Attorney's diversionary program and administrative fees assessed for littering. Additionally, the General Fund of the District Attorney consists of the following:

- \$10 Court Cost - Act 293 - These fees are collected in compliance with LRS 16:16. In all criminal cases over which the District Attorney has jurisdiction, a nonrefundable sum of ten dollars is taxed as costs against every defendant who is convicted after trial, pleads guilty, or who forfeits a bond. This fee is in addition to all other fines, costs, or forfeitures lawfully imposed. The sums collected are to be used at the discretion of the District Attorney in defraying the expenditures of his office.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds (Continued)

- \$10 Court Cost - Act 1443 - These fees are collected in compliance with LRS 16:16.1. In all criminal cases over which the District Attorney has jurisdiction, a nonrefundable sum of ten dollars is taxed as costs against every defendant who is convicted after trial, pleads guilty, or who forfeits a bond. This fee is in addition to all other fines, costs, or forfeitures lawfully imposed. The sums collected are to be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Commercial Bond Forfeitures - These fees are collected in compliance with LRS 15:571, which provides that all fines and forfeitures imposed by the district courts and collected by the sheriff or executive officer of the court for violations of municipal ordinances be disbursed. Of the total disbursement, twelve percent shall be remitted to the Office of the District Attorney, which may be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Criminal Bail Bond Fees - These fees are collected in compliance with LRS 22:1065.1, which provide that there shall be a fee on premiums for all commercial surety underwriters who write criminal bail bonds in the State of Louisiana. That fee shall be equal to two hundred dollars for each ten thousand dollars worth of liability underwritten by the commercial surety. Of these fees, the District Attorney's Office shall receive twenty-five percent, which is to be used for operating expenses.
- \$7 Criminal Bond Fees - These fees are collected in compliance with LRS 15:851, which provide that a fee of fifteen dollars shall be collected by the sheriff's office from every person seeking release by means of a criminal bond, or from their designated representative. Of the total fee, seven dollars shall be remitted to the Office of the District Attorney, which may be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Special Asset Forfeitures - These fees are collected in compliance with LRS 40:2616(B), which provides that all monies obtained in relation to the seizure and forfeiture from illegal drugs shall be deposited in this fund. Of these monies, the District Attorney's Office shall receive twenty percent after the payments made for satisfaction of any bona fide security interest or lien, and after the payment of all proper expenses of the proceedings for forfeiture and sale. This twenty percent shall be paid into the fund to be used for public purposes, including, but not limited to, use for prosecution, rewards, support, and continuing legal education.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds (Continued)

- Title IV-D Program - This income consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the program is to enforce the support obligations owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support. The Title IV-D income is captioned "Incentives for Child Support Collections" in the accompanying financial statements.

Special Revenue Fund - This fund is used to account for fees, fines, and costs collected for a specified purpose or grant amounts received to be used for specific purposes that deal with the prosecution. The special revenue fund of the District Attorney consists of the following:

- Worthless Checks Collection Fee Fund (Hot Checks) - This fund was established in compliance with LRS 16:15, which provides that the District Attorney receives, from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used to defray the salaries and expenses of the Office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included in the statement of net position, and the statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred. The effect of interfund transactions has been removed from these columns.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus / Basis of Accounting (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

Budgets

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

1. An office accountant prepares a proposed budget and submits the budget to the District Attorney for approval.
2. The District Attorney approves the budget and submits it for public inspection no later than 15 days prior to the beginning of the fiscal year.
3. The budget is adopted in an open meeting at least 10 days after public notice and prior to the beginning of the fiscal year.
4. Budgetary amendments, involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the District Attorney.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budgets are prepared essentially on the modified accrual basis of accounting. Non-cash revenues and expenditures pertaining to on-behalf payments made by other governmental entities are not included in the budget. Budgetary amounts are as originally adopted, or as amended from time to time by the District Attorney.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of daily cash amounts in demand deposit or interest-bearing demand deposit accounts. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Investments

Investments are limited by LRS 33:2955 and the District Attorney's investment policy. All time deposits are considered investments regardless of maturity date. The book balances are stated at cost, which approximates the fair market value of the investments.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed in the District Attorney's accounting system.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the statement of net position, and depreciation expense is recorded in the statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Furniture and Equipment	5 - 15 Years

Compensated Absences

Annual and sick leave for professional staff members is granted at the discretion of the District Attorney.

At December 31, 2018, the District Attorney had no accumulated and vested employee leave benefits required to be reported.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
2. *Restricted* - This component of net position consists of assets that have constraints imposed by law or through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

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

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District Attorney has deferred outflows/inflows of resources related to pensions.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 Louisiana District Attorneys' Retirement System (LDARS) and the Parochial Employees' Retirement System (PERS), and additions to/deductions from the fiduciary net position, have been determined on the same basis as they are reported by the pension plans. 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.

Estimates

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

New Accounting Pronouncements

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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. This Statement will be effective for the District Attorney for the fiscal year ending December 31, 2020. This Statement is not expected to have a material impact on the District Attorney's financial statements.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*. The objective of Statement No. 88 is to improve consistency in information that is disclosed in notes to government financial statements related to debt and to provide financial statement users with additional essential information about debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. This Statement is not expected to have a material impact on the District Attorney's financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of Statement No. 89 is to establish accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. This Statement is not expected to have a material impact on the District Attorney's financial statements.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 2. Cash and Cash Equivalents

At December 31, 2018, the District Attorney had cash (book balances) totaling \$986,812, which are in demand deposit or interest-bearing demand deposit accounts.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District Attorney's deposits may not be recovered. At December 31, 2018, the bank balance of the deposits was \$998,410. \$250,000 of this balance was covered by federal deposit insurance and the remaining balance of \$748,410 was secured from risk by the pledge of securities owned by the fiscal agent bank. These securities are being held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the District Attorney and the fiscal agent bank.

Under state law, deposits 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. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

Note 3. Investments

At December 31, 2018, the District Attorney had investments of \$712,955 in Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation 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 LRS 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 3. Investments (Continued)

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- *Credit risk:* LAMP is rated AAAm by Standard & Poor's.
- *Custodial credit risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of credit risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest rate risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 30 days, as of December 31, 2018.
- *Foreign currency risk:* Not applicable.

The investments in LAMP are stated at fair value. 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 net asset 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 SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 4. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018, was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Furniture and Equipment	\$ 378,890	\$ 4,910	\$ (172,875)	\$ 210,925
Less: Accumulated Depreciation	353,070	7,826	(172,875)	188,021
Capital Assets, Net	\$ 25,820	\$ (2,916)	\$ -	\$ 22,904

Note 5. Intergovernmental Agreement

The Plaquemines Parish Government and the District Attorney's Office have an intergovernmental agreement under which all vehicles purchased by the District Attorney's Office are to be treated as a donation or intergovernmental transfer to the Plaquemines Parish Government.

The Plaquemines Parish Government has provided vehicles to the Plaquemines Parish District Attorney's Office for the past thirty years in recognition of its obligation to provide reasonable expenses for the District Attorney's Office.

Due to increasing demands on local government for services over the past several years, the District Attorney's Office used discretionary funding for the purchase of vehicles for use by the District Attorney's Office. These purchases were made by the Plaquemines Parish Government on behalf of the District Attorney's Office, and were made with the express understanding that the Plaquemines Parish Government would take title in its name, insure, and maintain said vehicles, and assign the vehicles to the District Attorney's Office for its exclusive use. Upon normal rotation out of the District Attorney's Office, due to condition and mileage, the vehicle is delivered back to the Plaquemines Parish Government to use or dispose of as it sees fit. For inventory purposes, the vehicles are owned by the Plaquemines Parish Government. As such, depreciation, if any, for said vehicles is recorded by the Plaquemines Parish Government.

If the purchase of any vehicle is made with the District Attorney's funds, this will be considered a donation or intergovernmental transfer to the Plaquemines Parish Government.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 6. Pension Plans

The District Attorney participates in two cost-sharing, multiple employer and public employees' retirement systems. The District Attorney and assistant district attorneys are members of the Louisiana District Attorneys' Retirement System (LDARS or the System). Other personnel of the District Attorney's Office are members of the Parochial Employees' Retirement System of Louisiana, Plan A (PERS or the Parochial System). These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. Following are descriptions of the plans and their respective benefits:

Louisiana District Attorneys' Retirement System

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 the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Plan Description

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 the System 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 years of service credit receives 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.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 6. Pension Plans (Continued)

Louisiana District Attorneys' Retirement System (Continued)

Plan Description (Continued)

Members who joined the System 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, or 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 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 60.

Upon the death of a member with less than five 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 five or more years of service or any member with 23 years of service who has not retired, automatic option two 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.

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.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 6. Pension Plans (Continued)

Louisiana District Attorneys' Retirement System (Continued)

Plan Description (Continued)

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

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

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

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 6. Pension Plans (Continued)

Louisiana District Attorneys' Retirement System (Continued)

Funding Policy

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 0.0%.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing the Louisiana District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802-8143, or by calling (225) 267-4824

The District Attorney's contributions to the System for the years ended December 31, 2018, 2017, and 2016, were \$-0-, \$-0-, and \$1,416, respectively.

Parochial Employees' Retirement System of Louisiana

Substantially all other employees of the District Attorney's Office are members of PERS, a cost-sharing, multiple employer defined benefit pension plan administered by a separate board of trustees. The Parochial System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All plan participants of the District Attorney are members of Plan A.

Plan Description

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the Parochial System, except for the District Attorney and assistant district attorneys who are covered by their own retirement plan.

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service
2. Age 55 with a minimum of twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with a minimum of thirty (30) years of creditable service
2. Age 62 with a minimum of ten (10) years of creditable service
3. Age 67 with a minimum of seven (7) years of creditable service

Notes to Financial Statements

Note 6. Pension Plans (Continued)

Parochial Employees' Retirement System of Louisiana (Continued)

Plan Description (Continued)

The retirement benefit is generally 1% of the member's final compensation plus \$2 per month for each year of service credited prior to January 1, 1980, and 3% of final average compensation for each year of service after that date. Final average salary is the employee's average salary over the 36 consecutive or joined months which produce the highest average.

Employees who terminate with at least the amount of credited service stated previously, and who do not withdraw their employee contributions, may retire at the age specified previously and receive the benefit accrued to their date of termination. PERS also provides death and disability benefits. Benefits are established by state statute.

The Parochial System issues an annual publicly available financial report that includes financial statements and required supplementary information for the Parochial System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

Funding Policy

Contributions to PERS include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish except Orleans and East Baton Rouge parishes. PERS members are required to contribute 9.5% of their annual covered salary. The District Attorney is required to contribute at an actuarially determined rate. The current rate is 12.50% of annual covered salary for the year ended December 31, 2018. As provided by LRS 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior year.

The District Attorney's contributions to the Parochial System under Plan A for the years ended December 31, 2018, 2017, and 2016, were \$5,707, \$5,816, and \$6,740, respectively.

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

At December 31, 2018, the District Attorney reported a liability of \$38,558 for its proportionate share of LDARS collective net pension liability, and an asset of \$5,611 for its proportionate share of PERS collective net pension asset. The collective net pension liabilities of the plans were measured on June 30, 2018 and December 31, 2017, for LDARS and PERS, respectively.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 6. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The proportionate share of the net pension liabilities were based on the District Attorney's long-term shares of contributions to the pension plans relative to the projected contributions of all employers, actuarially determined. At June 30, 2018, the proportion for LDARS was 0.119824%, and at December 31, 2017, the proportion for PERS was 0.007559%.

For the year ended December 31, 2018, the District Attorney recognized pension expense of \$23,386. At December 31, 2018, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	LDARS	PERS	Total	LDARS	PERS	Total
Differences Between Expected and Actual Experience	\$ 207	\$ -	\$ 207	\$ 5,601	\$ 3,632	\$ 9,233
Changes of Assumptions	23,388	7,081	30,469	2,543	-	2,543
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,229	-	3,229	-	12,962	12,962
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	2,831	159	2,990	11,611	449	12,060
Contributions Subsequent to the Measurement Date	-	5,707	5,707	-	-	-
Total	\$ 29,655	\$ 12,947	\$ 42,602	\$ 19,755	\$17,043	\$ 36,798

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 6. Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

In the year ending December 31, 2019, \$5,707 reported as deferred outflows of resources related to pensions resulting from the District Attorney's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

Year Ending December:	Amortization Amounts		
	LDARS	PERS	Total
2019	\$ 5,789	\$ 844	\$ 6,633
2020	\$ 2,817	\$ (1,016)	\$ 1,801
2021	\$ (628)	\$ (4,491)	\$ (5,119)
2022	\$ (30)	\$ (5,141)	\$ (5,171)
2023	\$ 1,953	\$ -	\$ 1,953

A summary of the actuarial methods and assumptions used in determining net pension liabilities is as follows:

	LDARS	PERS
Valuation Date	June 30, 2018	December 31, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining Service Lives	6 Years	4 Years
Investment Rate of Return	6.50%	6.75%
Inflation Rate	2.40%	2.50%
Projected Salary Increases	3.10%, Merit	2.75%, Merit
Cost-of-Living Adjustments	Only those Previously Granted	Only those Previously Granted
Mortality	RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Table (set back 1 year for females); RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females) for Disabled Annuitants	RP-2000 Employee Sex Distinct Table was Selected for Employees; RP-2000 Healthy Annuitant Sex Distinct Tables were Used for Annuitants & Beneficiaries; RP-2000 Disabled Lives Mortality Table for Disabled Annuitants

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 6. Pension Plans (Continued)

LDARS Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return was 9.45%, for the year ended June 30, 2018.

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2018, were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	
		Real	Nominal
Equity	61.72%	10.82%	
Fixed Income	28.95%	6.36%	
Alternatives	8.85%	10.50%	
Real Estate	0.48%	0.50%	
	100.00%		6.95%
Inflation			2.50%
Expected Real Rate of Return			9.45%

PERS Investments

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.62%, for the year ended December 31, 2017.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 6. Pension Plans (Continued)

PERS Investments (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Parochial System's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35.00%	1.24%
Equity	52.00%	3.57%
Alternatives	11.00%	0.69%
Real Assets	2.00%	0.12%
	<u>100.00%</u>	5.62%
Inflation		2.00%
Expected Real Rate of Return		<u>7.62%</u>

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the District Attorney using the discount rate of 6.50% for LDARS and 6.75% for PERS, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
District Attorney's Proportionate Share of the LDARS Net Pension Liability (Asset)	\$ 103,816	\$ 38,558	\$ (16,959)
District Attorney's Proportionate Share of the PERS Net Pension Liability (Asset)	27,663	(5,611)	(35,238)

Note 7. Cooperative Endeavor Agreement

The District Attorney of the Twenty-Fifth Judicial District loaned the Plaquemines Parish Courthouse District (the District) \$95,000 on April 12, 2000. These funds are to be used as local matching funds for the Plaquemines Parish Courthouse Project (the Project). The Plaquemines Parish Courthouse District understands and agrees that if the funds are not totally expended within two years from the date of this agreement, the District will close the Project and recommend that the Board of Commissioners return the unspent funds to the District Attorney's Office. It is further acknowledged and agreed that upon receipt of permanent financing for the Project, all funds advanced under this agreement should be returned to the District Attorney's Office. As of April 12, 2002, the Cooperative Endeavor Agreement with the Plaquemines Parish Courthouse District was extended for an additional two years. During 2004, the Cooperative Endeavor Agreement expired, but was renewed on a month-to-month basis.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana

Notes to Financial Statements

Note 7. Cooperative Endeavor Agreement (Continued)

The Plaquemines Parish Courthouse District is in the process of determining if any additional buildings should be obtained for use by the Courts of Plaquemines Parish. Once a decision is made, the District will either reimburse the remaining funds back to the District Attorney or use the funds to build such. As of December 31, 2018, the District Attorney decreased the receivable to the estimated recovery from the Plaquemines Parish Courthouse to \$19,341.

Note 8. Expenditures of the District Attorney Not Included in the Financial Statements

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of criminal court, the parish governing authority, or paid directly by the State.

The accompanying financial statements do not include certain expenditures of the District Attorney which are paid out of the funds of the Plaquemines Parish Government. These expenditures include telephone, utilities, and other operating expenditures of the District Attorney. This information is available at the Baton Rouge office of the Louisiana Legislative Auditor and online at the Louisiana Legislative Auditor's website.

Note 9. Federal Grant Income and Expenditures of the District Attorney Not Included in the Financial Statements

Certain federal grants under the oversight of the District Attorney of the Twenty-Fifth Judicial District are accounted for on the financial statements of the Plaquemines Parish Government. The following grant payments were received during the year ended December 31, 2018:

Project ID	Project Period	Amount
DIST25	12/01/2017 - 11/30/2018	\$ 30,000
3727	10/1/2017 - 09/30/2018	\$ 21,411

Note 10. On-Behalf Payments for Salaries and Fringe Benefits

In accordance with governmental accounting standards, the District Attorney of the Twenty-Fifth Judicial District recognizes on-behalf payments made by the Plaquemines Parish Government and the State of Louisiana. These costs include salary and fringe benefits. The District Attorney recognizes these payments as revenue and corresponding expenses/expenditures in the financial statements.

**DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana**

Notes to Financial Statements

Note 10. On-Behalf Payments for Salaries and Fringe Benefits (Continued)

For the year ended December 31, 2018, the District recorded on-behalf payments from the following sources:

Plaquemines Parish Government	
Salaries	\$ 914,784
Insurance	150,750
Retirement	72,574
Other Benefits	<u>9,415</u>
Total	<u>1,147,523</u>
State of Louisiana	
Salaries	275,000
Retirement	<u>1,719</u>
Total	<u>276,719</u>
Total - All Sources	<u><u>\$1,424,242</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2018

	Budgetary Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Favorable (Unfavorable)
Revenues				
Program Revenues				
Fees on Fines and Forfeitures	\$ 75,700	\$ 112,094	\$ 119,261	\$ 7,167
Fees from Court Costs	55,000	51,500	52,080	580
Diversionary Program Revenues	47,800	44,495	43,525	(970)
Sr Citz Day Revenues	-	1,066	1,066	-
Incentives for Child Support Collections	40,700	43,177	43,177	-
Intergovernmental Revenue - Grants	10,000	9,132	9,058	(74)
Other Revenues				
Other Income	-	-	500	500
Interest Income	4,800	12,589	12,971	382
Total Revenues	234,000	274,053	281,638	7,585
Expenditures				
General Government				
Salaries and Benefits	135,013	135,152	134,352	800
Professional Fees	22,500	20,100	20,100	-
Commissions	14,700	41,441	39,003	2,438
Office Supplies and Expenses	14,000	6,838	12,001	(5,163)
Retirement Contributions	5,800	5,707	5,707	-
Seminars, Meetings, and Travel	8,000	7,024	6,990	34
Miscellaneous	600	1,785	3,559	(1,774)
Dues	4,800	5,126	4,926	200
Payroll Taxes	2,230	2,105	2,053	52
Public Relations	1,100	1,025	1,025	-
LACE	10,500	26,608	22,690	3,918
Project L.E.A.D.	3,500	356	320	36
Capital Outlay	10,000	4,910	4,910	-
Total Expenditures	232,743	258,177	257,636	541
Excess of Revenues Over Expenditures	1,257	15,876	24,002	8,126
Net Change in Fund Balance	\$ 1,257	\$ 15,876	24,002	\$ 8,126
Fund Balance, Beginning of Year			1,670,051	
Fund Balance, End of Year			\$ 1,694,053	

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1 - Budget-to-Actual Reconciliation

The District Attorney budgets for revenues and expenditures that will flow through its office. Amounts pertaining to on-behalf payments made by other governmental entities are not considered in the District Attorney's annual budget.

See independent auditor's report.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Worthless Checks Collection Fee Special Revenue Fund
For the Year Ended December 31, 2018

	Budgetary Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Program Revenues				
Fees on Fines and Forfeitures	\$ -	\$ 1,870	\$ 1,870	\$ -
Fees for Worthless Checks Collection	8,000	2,422	2,347	(75)
Other Revenues				
Interest Income	40	47	46	(1)
Total Revenues	8,040	4,339	4,263	(76)
Expenditures				
General Government				
Professional Fees	-	1,870	1,870	-
Project L.E.A.D.	300	300	300	-
Total Expenditures	300	2,170	2,170	-
Excess of Revenues Over Expenditures	7,740	2,169	2,093	(76)
Net Change in Fund Balance	\$ 7,740	\$ 2,169	2,093	\$ (76)
Fund Balance, Beginning of Year			45,155	
Fund Balance, End of Year			\$ 47,248	

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1 - Budget-to-Actual Reconciliation

The District Attorney budgets for revenues and expenditures that will flow through its office. Amounts pertaining to on-behalf payments made by other governmental entities are not considered in the District Attorney's annual budget.

See independent auditor's report.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Schedule of the District Attorney's Proportionate Share of
Net Pension Liability
For the Year Ended December 31, 2018

	LDARS				PERS			
	2018	2017	2016	2015	2018	2017	2016	2015
District Attorney's Proportion of the Net Pension Liability	0.119824%	0.127161%	0.133710%	0.116806%	0.007559%	0.008742%	0.011143%	0.014807%
District Attorney's Proportionate Share of the Net Pension Liability (Asset)	\$ 38,558	\$ 34,298	\$ 25,593	\$ 6,292	\$ (5,611)	\$ 18,004	\$ 29,332	\$ 4,048
District Attorney's Covered Payroll	\$ 83,857	\$ 78,732	\$ 82,895	\$ 68,493	\$ 46,529	\$ 51,846	\$ 60,145	\$ 71,750
District Attorney's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	46.0%	43.6%	30.9%	9.2%	-12.1%	34.7%	48.8%	5.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.9%	93.6%	95.1%	98.6%	102.0%	94.1%	99.1%	99.1%

*LDARS refers to the Louisiana District Attorney Retirement System

PERS refers to Parochial Employees Retirement System of Louisiana

**GASB 68 requires this schedule to show information for 10 years. The District Attorney has implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.

*** The amounts presented for each fiscal year were determined as of the June 30th year-end that occurred within the fiscal year (LDARS).

**** The amounts presented for each fiscal year were determined as of the previous year-end. (PERS)

See independent auditor's report.

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Schedule of the District Attorney's Contributions
For the Year Ended December 31, 2018

	LDARS				PERS			
	2018	2017	2016	2015	2018	2017	2016	2015
Contractually Required Contribution	\$ -	\$ -	\$ 1,416	\$ 4,440	\$ 5,707	\$ 5,816	\$ 6,740	\$ 8,721
Contributions in Relation to Contractually Required Contribution	-	-	1,416	4,440	5,707	5,816	6,740	8,721
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District Attorney's Covered Payroll	\$ 96,408	\$ 73,845	\$ 82,895	\$ 79,143	\$ 45,656	\$ 46,529	\$ 51,846	\$ 60,145
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	1.71%	5.61%	12.50%	12.50%	13.00%	14.50%

**GASB 68 requires this schedule to show information for 10 years. The District Attorney has implemented GASB 68 in its 2015 fiscal year. Therefore, additional years will be displayed as they become available.*

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2018

Agency Head

Honorable Charles Ballay, District Attorney of the Twenty-Fifth Judicial District

Purpose	Amount Paid by the DA's Office	Amount Paid by Other Governments	Total
Salary	\$63,583	\$103,500	\$167,083
Benefits - Insurance	\$0	\$10,345	\$10,345
Benefits - Retirement	\$410	\$647	\$1,057
Benefits - Long-Term Disability	\$795	\$0	\$795
Car Allowance	\$0	\$0	\$0
Vehicle Provided by Government	\$0	\$602	\$602
Per Diem	\$0	\$269	\$269
Reimbursements	\$1,233	\$0	\$1,233
Travel	\$39	\$0	\$39
Registration Fees	\$0	\$0	\$0
Conference Travel	\$1,636	\$1,123	\$2,759
Continuing Professional Education Fees	\$0	\$325	\$325
Housing	\$0	\$0	\$0
Unvouchered Expenses	\$0	\$0	\$0
Special Meals	\$1,041	\$0	\$1,041
Dues	\$445	\$0	\$445

See independent auditor's report.

**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**

Independent Auditor's Report

Honorable Charles Ballay
District Attorney of the Twenty-Fifth Judicial District
Plaquemines Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of United States, the financial statements of the governmental activities and each major fund of the District Attorney of the Twenty-Fifth Judicial District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Fifth Judicial District's basic financial statements, and have issued our report thereon dated June 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District Attorney of the Twenty-Fifth Judicial District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Twenty-Fifth Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-Fifth Judicial District'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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. 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 District Attorney of the Twenty-Fifth Judicial District'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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 District Attorney of the Twenty-Fifth Judicial District's internal control or on compliance. This report is an integral part of an audit performed in accordance *Government Auditing Standards* in considering the District Attorney of the Twenty-Fifth Judicial District'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.



A Professional Accounting Corporation

Metairie, LA
June 28, 2019

DISTRICT ATTORNEY OF THE TWENTY-FIFTH JUDICIAL DISTRICT
Plaquemines Parish, Louisiana
Schedule of Findings and Responses
For the Year Ended December 31, 2018

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements noted? | No |
| 3. Management letter comment provided? | None |

Federal Awards

Not Applicable.

Part II - Financial Statements Findings

None.

Part III - Federal Award Findings

Not Applicable.

AGREED-UPON PROCEDURES REPORT

The District Attorney of the 25th Judicial District

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2018 – December 31, 2018

To The District Attorney of the 25th Judicial District and the
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the management of The District Attorney of the 25th Judicial District (the District) 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 year January 1, 2018 through December 31, 2018. The District's management is responsible for those C/C areas identified in the SAUPs. 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.

Our procedures and results are as follows:

Collections

1. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: We obtained management's representation that the listing provided is complete.

2. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: We noted that one employee that is responsible for collecting cash is also responsible for preparing/making bank deposits, records the transaction, and reconciles the bank account. We noted that employees do not to share the same cash register or drawer with another employee.

3. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: We noted that of the six employees who are responsible for collecting cash, only two are bonded.

4. Randomly select two deposit dates for each of the entity's bank accounts in which deposits are made – four accounts in total (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: Of the deposits selected for testing, one deposit was made two business days after receipt. We identified no other exceptions with the procedures performed.

Non-Payroll Disbursements (excluding credit card purchases/payments, travel reimbursements, and petty cash purchases)

5. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: We obtained management's representation that the listing provided is complete.

6. For each location selected under #5 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe 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.
- b) At least two employees are involved in processing and approving payments to vendors.

- 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.
- 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: We noted that at least two people are involved in the purchasing process. Any employee can initiate a purchase request, but it first must be approved by the office manager, District Attorney or Assistant District Attorney. The office manager processes payments while the District Attorney approves payments to vendors. Two employees are responsible for adding/modifying vendor files. Only the District Attorney or Assistant District Attorney can sign checks. The office manager mails the checks; however, the office manager can also process payments.

- 7. For each location selected under #5 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 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

Results: No exceptions were identified as a result of these procedures.

Payroll and Personnel

- 8. Obtain a listing of employees/ elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: We obtained management's representation that the listing provided is complete. We noted that compensation paid to each employee sampled was in accordance with their pay rate structure.

- 9. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #8. above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: We noted that for all employees sampled, their daily attendance and leave was documented, approved in writing by a supervisor, and written records were maintained for those that earned leave. We noted that three of the five employees sampled did not have time details for one Friday during the month. Employees rotate a Friday off during the summer schedule and work 9 hours each day to cover this Friday off. We noted one employee had taken time off for one day during the month, so time details were missing for that day; however, the employee worked enough overtime hours during the month to cover the day off.

10. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: We obtained management's representation that the listing provided is complete. For the fiscal period, there was only one terminated employee. We noted that the employee had no unused leave that was required to be paid.

11. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: We obtained management's representation that payroll taxes and retirement paid on behalf of employee and employer by the DA office is done by the outside accountant who handles payroll. We noted that the retirement forms are mailed by required deadlines, and the payroll taxes forms and payroll taxes are filed and paid by required deadlines.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to conduct, 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 results 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.



A Professional Accounting Corporation

Metairie, LA
June 28, 2019