

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

FINANCIAL REPORT

December 31, 2017



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Office of the District Attorney of the 34th Judicial District
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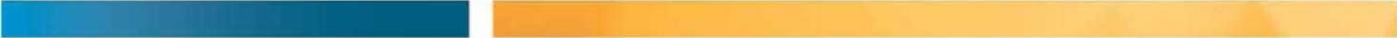
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Report



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INDEPENDENT AUDITORS' REPORT

To the District Attorney of the 34th Judicial District
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the District Attorney of the 34th Judicial District (the "Office") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of proportionate share of net pension liability, and the schedule of employer contributions to pension fund on pages 4-8 and 35-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2018 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

June 25, 2018



**Required Supplementary
Information (Part I)**

Office of the District Attorney of the 34th Judicial District Management's Discussion and Analysis

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

FINANCIAL HIGHLIGHTS

The Office's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$2,258,062, which represent a 4.9% decrease from last year.

The Office's revenues increased by \$113,080 (or 5.38%), principally due to the office beginning two new programs in the current year.

The Office's expenses increased by \$71,081, which represents a 3.16% increase from last year primarily because of the two new programs and the loss on donation of a vehicle to the Sheriff's Office.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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



Office of the District Attorney of the 34th Judicial District Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS

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

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

GOVERNMENTAL FUNDS

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

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

FIDUCIARY FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Office's financial position. As of December 31, 2017, assets and deferred outflows exceed liabilities and deferred inflows by \$2,258,062.

**Office of the District Attorney of the 34th Judicial District
Management's Discussion and Analysis**

CONDENSED STATEMENTS OF NET POSITION

	2017	2016	Dollar Change	Total % Change
Current and other assets	\$ 2,199,233	\$ 2,322,546	\$ (123,313)	-5.31%
Capital assets	90,171	113,747	(23,576)	-20.72%
Total assets	2,289,404	2,436,293	(146,889)	-6.03%
Deferred outflows of resources	47,570	42,443	5,127	12.08%
Total assets and deferred outflows	2,336,973	2,478,736	(141,763)	-5.72%
Current liabilities	68,190	101,319	33,129	-32.70%
Deferred inflows of resources	10,722	9,948	774	7.78%
Total liabilities and deferred inflows	78,912	111,267	(32,355)	-29.08%
Net position:				
Invested in capital assets	90,171	113,747	(23,577)	-20.73%
Restricted	5,117	5,190	(73)	-1.41%
Unrestricted	2,162,774	2,248,532	(85,758)	-3.81%
Total net position	\$ 2,258,062	\$ 2,367,469	\$ (109,407)	-4.62%

GOVERNMENTAL ACTIVITIES

Governmental activities decreased the Office's net assets by \$109,407. Key elements of this decrease are:

CONDENSED STATEMENTS OF ACTIVITIES

	2017	2016	Dollar Change	Total % Change
Revenues:				
Commissions on fines	\$ 111,063	\$ 114,302	(3,239)	-2.83%
Acts 834 and 293	56,736	54,761	1,975	3.61%
Intergovernmental revenues - on-behalf payments	1,695,021	1,608,195	86,826	5.40%
Diversion program fees	218,448	275,612	(57,164)	-20.74%
Victims assistance	30,000	30,000	-	0.00%
Interest income	11,623	6,292	5,331	84.73%
Gain on insurance recovery	-	4,828	(4,828)	-100.00%
Non-employer pension contribution	8,384	6,941	1,443	20.79%
Victims of crime assistance	65,106	-	65,106	100.00%
DA Traffic and Safety	17,631	-	17,631	100.00%
Total revenues	2,214,012	2,100,931	113,081	5.38%

**Office of the District Attorney of the 34th Judicial District
Management's Discussion and Analysis**

Expenses:				
General and other governmental and other	2,299,256	2,252,338	46,918	2.08%
Loss on donation	24,163	-	24,163	100.00%
Total Expenses:	2,323,419	2,252,338	71,081	3.16%
Change in net position	(109,407)	(151,407)	42,000	-27.74%
Net position beginning of year	2,367,469	2,518,876	(151,407)	-6.01%
Net position end of year	\$ 2,258,062	\$ 2,367,469	(109,407)	-4.62%

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the Office's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of the end of the current year, the Office's governmental funds reported a combined ending fund balance of \$2,158,556, a decrease of \$78,016 in comparison with the prior year that is available for spending at the Office's discretion.

The General Fund is the chief operating fund of the Office. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,153,439.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District Attorney adopted a budget during 2017 and amended the budget to take into consideration significant changes in revenues or expenditures. A comparison of the original and amended budget to actual totals of revenues and expenditures is included on pages 35 of the financial statements.

During the year, revenues were higher than budgetary estimates by \$23,507 and expenditures were higher than budgetary estimates by \$14,978.

**Office of the District Attorney of the 34th Judicial District
Management's Discussion and Analysis**

CAPITAL ASSETS

The Office's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$90,171 (net of accumulated depreciation). This investment in capital assets includes vehicles and facility improvements net of any related debt.

As of December 31,	2017	2016
Vehicles	\$ 119,528	\$ 119,528
Facility improvements	12,000	12,000
Less accumulated depreciation	(41,357)	(17,781)
Total	\$ 90,171	\$ 113,747

ECONOMIC FACTORS AND 2018 BUDGET

When preparing the Office's budget for 2018, the decrease in bond forfeiture revenues and slight increase in diversion program fees in the General Fund were considered the most significant factors.

REQUESTS FOR INFORMATION

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



Financial Statements

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

December 31,	2017
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CURRENT ASSETS	
Cash and cash equivalents	\$ 1,959,658
Due from other governments	227,763
Prepays	11,812
Total Current Assets	2,199,233
<hr/>	
NONCURRENT ASSETS	
Capital assets, net of depreciation	90,171
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TOTAL ASSETS	2,289,404
<hr/>	
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension liability	47,570
<hr/>	
Total Deferred Outflows of Resources	47,570
<hr/>	
LIABILITIES	
Accounts payable	40,677
Non-current liabilities:	
Net pension liability	27,513
<hr/>	
TOTAL LIABILITIES	68,190
<hr/>	
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension liability	10,722
<hr/>	
Total Deferred Inflows of Resources	10,722
<hr/>	
NET POSITION	
Net investment in capital assets	90,171
Restricted	5,117
Unrestricted	2,162,774
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TOTAL NET POSITION	\$ 2,258,062
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The accompanying notes are an integral part of this financial statement.

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

For the Year Ended December 31,

2017

	<u>Program Revenues</u>			Net (Expense) Revenue and Change in Net Position
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General government	\$ 2,299,256	\$ 468,984	\$ 30,000	\$ (1,800,272)
General revenues and special items				
				1,695,021
				11,623
				(24,163)
				8,384
				1,690,865
CHANGE IN NET POSITION				(109,407)
NET POSITION - beginning of year				2,367,469
NET POSITION - end of year				\$ 2,258,062

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

Office of the District Attorney of the 34th Judicial District
Balance Sheet - Governmental Funds
December 31, 2017

	General Fund	Non-Major Fund - Title IV - D Incentives Special Revenue	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,954,541	\$ 5,117	\$ 1,959,658
Due from other governmental entities:			
Due from St. Bernard Parish Sheriff's Office:			
Commission on fines	2,020	-	2,020
Bond premium fees	1,041	-	1,041
Court costs	1,019	-	1,019
Contempt fees	180	-	180
Due from St. Bernard Parish Government	155,030	-	155,030
Due from other governments	67,606	-	67,606
Due from other funds	867	-	867
Prepays	11,812	-	11,812
TOTAL ASSETS	\$ 2,194,116	\$ 5,117	\$ 2,199,233
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 40,677	\$ -	\$ 40,677
Unearned revenue	-	-	-
TOTAL LIABILITIES	40,677	-	40,677
FUND BALANCE			
Assigned	-	5,117	5,117
Unassigned	2,153,439	-	2,153,439
TOTAL FUND BALANCE	2,153,439	5,117	2,158,556
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,194,116	\$ 5,117	\$ 2,199,233

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

**Office of the District Attorney of the 34th Judicial District
Reconciliation of the Balance Sheet to the
Statement of Net Position
December 31, 2017**

Total fund balance at December 31, 2017 - governmental funds		\$ 2,158,556
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	131,528	
Less accumulated depreciation	(41,357)	90,171
<hr/>		
Contributions to the pension plan in the current year and other pension related deferrals are deferred outflows of resources on the Statement of Net Position		47,570
Long-term liabilities at December 31, 2017:		
Net pension liability		(27,513)
Pension related deferrals are deferred inflows of resources on the Statement of Net Position		
		(10,722)
<hr/>		
Net position of governmental activities		\$ 2,258,062
<hr/> <hr/>		

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

**Office of the District Attorney of the 34th Judicial District
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the year ended December 31, 2017**

	General Fund	Non-Major Fund - Title IV - D Incentives Special Revenue	Total
REVENUES			
Bond premium fees - Act 834 of 1993	\$ 41,195	\$ -	\$ 41,195
Commissions on fines	111,063	-	111,063
Court costs - Act 293 of 1986	15,541	-	15,541
Diversion program fees	218,448	-	218,448
Victims assistance grant	30,000	-	30,000
VOCA	65,106	-	65,106
DA traffic and safety	17,631	-	17,631
Intergovernmental revenues - on-behalf payments	1,695,021	-	1,695,021
Interest income	11,623	-	11,623
Total Revenues	2,205,628	-	2,205,628
EXPENDITURES			
Current:			
General government:			
Personnel services	1,971,373	-	1,971,373
Office expense	181,042	73	181,115
Contract services	-	-	-
Program services	69,544	-	69,544
Auto and travel	32,801	-	32,801
Repair and maintenance	931	-	931
Capital outlay	27,880	-	27,880
Total Expenditures	2,283,571	73	2,283,644
NET CHANGE IN FUND BALANCES	(77,943)	(73)	(78,016)
FUND BALANCE - beginning of year	2,231,382	5,190	2,236,572
FUND BALANCE - end of year	\$ 2,153,439	\$ 5,117	\$ 2,158,556

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

**Office of the District Attorney of the 34th Judicial District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities**

Total net change in fund balance - governmental fund		\$ (78,016)
<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</p>		
Cost of capital assets	27,880	
Depreciation expense	(27,293)	
Loss on donation of asset	(24,163)	(23,576)
<hr/>		
<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 governmental funds</p>		
Pension expense		(7,815)
<hr/>		
Change in Net Position of Governmental Activities		\$ (109,407)

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

Office of the District Attorney of the 34th Judicial District
Statement of Fiduciary Assets and Liabilities - Agency Funds
December 31, 2017

	Bond Forfeitures	Traffic and Safety	Total Agency Funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,107	\$ 1,644	\$ 3,751
Due from other governments	765	-	765
TOTAL ASSETS	\$ 2,872	\$ 1,644	\$ 4,516
LIABILITIES			
CURRENT LIABILITIES			
Due to other governments	2,872	1,644	4,516
TOTAL LIABILITIES	\$ 2,872	\$ 1,644	\$ 4,516

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

Office of the District Attorney of the 34th Judicial District
Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the year ended December 31, 2017

	January 1, 2017	Additions	Deductions	December 31, 2017
BOND FORFEITURES:				
Cash and cash equivalents	\$ 4,761	\$ 200,404	\$ (203,058)	\$ 2,107
Due from other governments	-	765	-	765
Bond forfeitures assets	4,761	201,169	(203,058)	2,872
Due to other governments	4,761	201,169	(203,058)	2,872
Bond forfeitures liabilities	\$ 4,761	\$ 201,169	\$ (203,058)	\$ 2,872
TRAFFIC AND SAFETY				
Cash and cash equivalents	\$ -	\$ 38,185	\$ (36,541)	\$ 1,644
Traffic and safety assets	-	38,185	(36,541)	1,644
Due to other governments	-	38,185	(36,541)	1,644
Traffic and safety liabilities	\$ -	\$ 38,185	\$ (36,541)	\$ 1,644

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

Office of the District Attorney of the 34th Judicial District Notes to Financial Statements

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

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

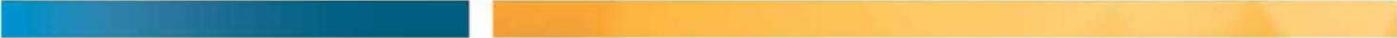
The financial statements of the Office of the District Attorney of the 34th Judicial District (the "Office") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting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

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

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

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

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



Office of the District Attorney of the 34th Judicial District Notes to Financial Statements

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

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

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

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

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

Title IV-D Incentives Special Revenue Fund – The Title IV-D Incentives Special Revenue Fund consists of incentive payments from the Louisiana Department of Health and Hospitals, as authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the program is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support. The contract for Title IV-D Incentive Funds was canceled in 1991 and was not renewed as of December 31, 2017.

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

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

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

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

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

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

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

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

The General Fund budget is adopted on a cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

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

Facility improvements	20 years
Automobiles	5 years

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

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

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

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

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

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

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable fund balance as of December 31, 2017.

Restricted - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted fund balance as of December 31, 2017.

Committed - amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed fund balance as of December 31, 2017.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purpose.

Unassigned - all other spendable amounts.

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

Adoption of New Financial Accounting Standards - The following GASB Statements recently issued and adopted by the GASB impacted the Office's financial statements:

In March 2016, the GASB issued Statement No. 82 – Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No.73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of Statement No. 82 are effective for fiscal years beginning after June 15, 2016. The District Attorney does not believe Statement No. 82 to have a material impact on the financial statements.

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

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

In March 2017, the GASB issued Statement No. 85 – Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Office is currently assessing the impact of GASB 85 on the financial statements for the year ending December 31, 2018.

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Office's Pension Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

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

Subsequent Events - The Office evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 25, 2018, which is the date the financial statements were available to be issued and no material events were noted for disclosure.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

Under state law, the Office may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Office may invest in certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. At December 31, 2017, the Office has total cash (bank balances) deposited with financial institutions totaling \$935,939.

Custodial Credit Risk

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Deposit balances (bank balances) at December 31, 2017, are secured as follows:

Bank Balance	\$ 955,099
Insured	\$ 416,129
Collateralized by pledging bank in the Office's name	538,970
Total	\$ 955,099

As of December 31, 2017, the Office's total bank balance was not exposed to custodial risk. \$416,129 of the Office's bank balance was secured by federal deposit insurance, while the remaining \$538,970 was secured by pledged securities owned by the fiscal agent bank.

Deposits with Louisiana Asset Management Pool

At December 31, 2017, the Office had an investment of \$1,021,470 with the Louisiana Asset Management Pool (LAMP), which is included in cash and cash equivalents. LAMP is administered by LAMP, Inc., a non-profit Authority, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital assets being depreciated:				
Facility improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Automobiles	119,528	27,880	(27,880)	119,528
Less accumulated depreciation for:				
Facility improvements	(2,600)	(600)	-	(3,200)
Automobiles	(15,181)	(26,693)	3,717	(38,157)
Total capital assets, net	\$ 113,747	\$ 587	\$ (24,163)	\$ 90,171

NOTE 4: PENSION PLAN

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

General Information about the Pension Plan

Plan Description

The District Attorneys' Retirement System (the "System"), State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956 and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

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

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 4: PENSION PLAN (CONTINUED)

Benefits Provided

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

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

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

Disability Benefits

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

Survivor Benefits

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 4: PENSION PLAN (CONTINUED)

spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

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

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

Deferred Retirement Option Plan benefits (DROP)

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

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest bearing account.

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program ("DROP") for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 4: PENSION PLAN (CONTINUED)

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 fi-om the account equal to die payments into the account or systematic disbursements fi-om his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

Cost of Living Adjustments

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018 and for the year ended June 30, 2017, the actual employer contribution rate was 0.0%. For the year ending June 30, 2018 and for the year ended June 30, 2017, the actuarially determined employer contribution rate was 1.20% and 0.00%, respectively. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. There were no required contributions to the pension plan from the Office for the year ended December 31, 2017.

In accordance with state statute, DARS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2017.

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 4: PENSION PLAN (CONTINUED)

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

At December 31, 2017, the Office reported a liability of \$27,513 for its proportionate share of the Net Pension Liability (NPL) of DARS. The NPL was measured as of June 30, 2017, and the total pension liability used to calculate the NPL was determined based on an actuarial valuation as of that date. The Office's proportion of the NPL was based on a projection of the Office's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. At June 30, 2017, the Office's proportionate share was 0.102004%, which was an increase of .021834% from its proportionate share measured at June 30, 2016.

For the year ended December 31, 2017, the Office recognized a total pension expense of \$16,199, plus the Office's amortization of the difference between employer contributions and proportionate share of contributions of \$67.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>DARS</u>		
Differences between expected and actual experience.	\$ -	\$ 7,233
Net difference between projected and actual earnings on pension plan investments.	11,041	-
Changes in assumptions.	12,335	3,247
Changes in proportion to NPL.	24,194	-
Differences between the District Attorney's contributions and its proportionate share of contributions.	-	242
The Office's contributions subsequent to measurement date.	-	-
Total DARS	\$ 47,570	\$ 10,722

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 4: PENSION PLAN (CONTINUED)

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

Year Ending December 31,	Amount of Amortization
2018	\$ 6,975
2019	12,410
2020	9,363
2021	2,902
2022	3,411
2023 (Thereafter)	1,787

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal cost
Investment rate of return	6.75% net of investment expense
Inflation rate	2.5% per annum
Salary increases	5.50% (2.50% Inflation, 3.00% Merit)
Mortality rates	The RP 2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (set back 1 year for females) projected to 2032 using Scale AA were selected for employee, annuitants, and beneficiaries. The RP 2000 Disabled Lives Mortality Table (set back 5 years for males and set back 3 years for females) for disabled annuitants.
Expected remaining service lives	7 years
Cost of Living adjustments	Only those previously granted

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

**Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements**

NOTE 4: PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term expected nominal rate of return is 9.06% for the year ended June 30, 2017.

The best estimates of arithmetic real rates of return for each major asset class based on the DARS' target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equities	61.72%	11.31%
Fixed income	28.95%	6.84%
Alternatives	8.85%	10.50%
Cash	.48%	0.50%
Totals	100.00%	6.56%
Inflation		2.50%
Expected Real Rate of Return		9.06%

Discount Rate

The discount rate used to measure the total pension liability for DARS was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of each of the system's actuary. Based on those assumptions, the system's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

NOTE 4: PENSION PLAN (CONTINUED)

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

The following presents the Office’s proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Office’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Discount Rate	5.75%	6.75%	7.75%
Share of NPL	\$ 78,621	\$ 27,513	\$ (15,917)

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Office recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2017, the Office recognized revenue as a result of support received from non-employer contributing entities of \$8,384.

Pension Plan Fiduciary Net Position

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

NOTE 5: RISK MANAGEMENT

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

Office of the District Attorney of the 34th Judicial District
Notes to Financial Statements

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

The State of Louisiana and the St. Bernard Parish Government pay a portion of the salaries and benefits of the Office. The Office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. For the year ended December 31, 2017, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Codification Section N50 *Nonexchange Transactions*, as intergovernmental revenues and expenditures as follows:

General Fund:	
State of Louisiana	\$ 411,029
St. Bernard Parish Government	1,283,992
<hr/>	
Total on-behalf payments	\$ 1,695,021

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



**Required Supplementary
Information (Part II)**

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

For the Year Ended December 31,

2017

	<u>Budgetary Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Bond premium fees - Act 834 of 1993	\$ 41,600	\$ 41,600	\$ 41,195	\$ (405)
Commissions on fines	96,700	96,700	111,063	14,363
Intergovernmental revenues - on-behalf payments	1,695,021	1,695,021	1,695,021	-
Court costs - Act 293 of 1986	12,900	12,900	15,541	2,641
Diversion program fees	300,500	300,500	218,448	(82,052)
Victims of crime assistance	-	-	65,106	65,106
Traffic and Safety	-	-	17,631	17,631
Victims assistance	30,000	30,000	30,000	-
Interest income	5,400	5,400	11,623	6,223
Total Revenues	2,182,121	2,182,121	2,205,628	23,507
Expenditures				
General government:				
Personnel services	1,908,377	1,908,377	1,971,373	(62,996)
Office expense	171,449	171,449	181,042	(9,593)
Contract services	9,900	9,900	-	9,900
Program services	72,750	72,750	69,544	3,206
Auto and travel	103,817	103,817	32,801	71,016
Repair and maintenance	2,300	2,300	931	1,369
Capital outlay	-	-	27,880	(27,880)
Total Expenditures	2,268,593	2,268,593	2,283,571	(14,978)
Net Change in Fund Balance	(86,472)	(86,472)	(77,943)	8,529
Fund Balances, Beginning of Year	2,231,382	2,231,382	2,231,382	-
Fund Balances, End of Year	\$ 2,144,910	\$ 2,144,910	\$ 2,153,439	\$ 8,529

See independent auditors' report.

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

For the Year Ended June 30,	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
District Attorneys' Retirement System of Louisiana					
2017	0.102004%	\$ 27,513	\$ 64,685	43%	93.6%
2016	0.080170%	\$ 15,345	\$ 62,000	25%	95.1%

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

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

Notes to the Required Supplementary Information

Changes in Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2017.

Changes of Assumptions

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

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

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

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

District Attorneys' Retirement System of Louisiana

2017	\$ 1,038	\$ 1,038	\$ -	\$ 32,343	3.21%
2016	\$ 1,038	\$ 1,038	\$ -	\$ 29,657	3.50%

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

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



**Other Supplementary
Information**

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

For the Year Ended December 31,

2017

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

Purpose

Salary	\$ 64,685
Fuel usage	1,603
Cell phone	1,222
Benefits-retirement	821
Conference travel	511
Benefits-insurance	-
Uniforms	-
Per diem	-
Reimbursements	-
Travel	-
Continuing professional education fees	-
Housing	-
Unvouched expenses	-
Special meals	-
Total paid by Office of the District Attorney of the 34th Judicial District	68,842
On-behalf payments for salaries and fringe benefits:	
Salaries from the state of Louisiana	50,000
Salaries from the Parish of St. Bernard	45,315
Retirement benefits from the state of Louisiana	875
Retirement benefits from the Parish of St. Bernard	793
Total on-behalf payments	96,983
TOTAL	\$ 165,825

See independent auditors' report



**Reports Required by
*Government Auditing Standards***



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

To the District Attorney of the 34th Judicial District
Chalmette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Office of the District Attorney of the 34th Judicial District (the "Office"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements and have issued our report thereon dated June 25, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

June 25, 2018



**Office of the District Attorney of the 34th Judicial District
Schedule of Current Year Findings and Responses**

Part I – Financial Statement Findings

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

Part II – Compliance

No findings noted for the year ended December 31, 2017



Office of the District Attorney of the 34th Judicial District
Summary Schedule of Prior Audit Findings

Part I – Financial Statement Findings

2016-001: Reconciliation of Revenue

Condition: The Office does not have adequate policies, procedures, and related internal controls in regard to the reconciliation of revenue to credit card receipts.

Current Status: Resolved.

Part II – Compliance

2016-002: State Ethics Training

Condition: Per LA RS 42:1101-1124, each employee, board member and/or elected official of the agency (public servant) must receive the annual ethics training as required.

Current Status: Resolved.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the 34th Judicial District
Chalmette, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Office of the District Attorney of the 34th Judicial District (the "Office") and the Louisiana Legislative Auditor ("LLA") on the control and compliance ("C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures ("SAUPs") for the fiscal period January 1, 2017 through December 31, 2017. The Office is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtained the Office's written policies and procedures and observed that those written policies and procedures address each of the following financial/business functions:

a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

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

b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

c) *Disbursements*, including processing, reviewing, and approving.

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

d) *Receipts*, including receiving, recording, and preparing deposit.

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

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

- g) *Credit Cards*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

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

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Office's ethics policy.

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

- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: As the entity does not issue debt or have debt service, there is no policy covering the subject, therefore, this procedure is not applicable.

Bank Reconciliations

3. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete.

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

4. Using the listing obtained from management in #3 above, selected 5 of the Office's bank accounts on a three year rotating basis. For each of the bank accounts selected, obtained bank statements and reconciliations for all months in the fiscal period and observed that:

- a) Bank reconciliations have been prepared;

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

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Results: There was no evidence of District Attorney or Management review of bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: There was no documentation of research of outstanding reconciling items.

Collections

- 5. Obtained a listing of cash/check/money order (cash) collection locations for the fiscal period and management's representation that the listing is complete.

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

- 6. Using the listing provided by management in #5 above, selected all of the Office's cash collection locations. For each cash collection location selected:

- a) Determined who is responsible for collecting cash through inquiry with management.

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

- b) Obtained existing written documentation (e.g. insurance policy, policy manual, job description) and inspected the documentation obtained to determine that each person responsible for collecting cash, as identified in #6a above, is (1) bonded, or there is sufficient general liability insurance covering each person, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account, and (3) not required to share the same cash register or drawer with another employee.

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

- c) Obtained existing written documentation and observed that the Office has a formal process to reconcile cash collections to the general ledger, by revenue source, by a person who is not responsible for cash collections in the cash collection location selected.

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

- d) Selected the highest (dollar) week of cash collections from the general ledger during the fiscal period and:

- 1) Obtained the Office's collection documentation, deposit slips, and bank statements for each cash collection included in the highest (dollar) week, traced daily collections to the deposit date on the corresponding bank statement, and observed that the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

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

- 2) Obtained system reports, observed that daily cash collections were supported by documentation.

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

7. Obtained existing written documentation from management (e.g. policy manual, written procedure) and observed that the written documentation includes a process specifically defined (as identified by management) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

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

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

8. Obtained a listing of Office disbursements for the fiscal period from management. Obtained management's representation that the listing population is complete.

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

9. Using the disbursement population from #8 above, randomly selected 25 disbursements, excluding credit card/debit card/fuel card/P-card purchases or payments. Obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined that the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system.

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

- b) Purchase orders were approved by a person who did not initiate the purchase.

Results: On all twenty-five (25) transactions selected, the disbursement was approved at the time of check signing and not prior to processing of payment.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased; and (3) an approved invoice.

Results: On all twenty-five (25) transactions selected, the disbursement was approved at the time of check signing and not prior to processing of payment.

10. Using Office documentation (e.g. electronic system control documentation, policy manual, written procedure), observed that the person responsible for processing payments is prohibited from adding vendors to the Office's purchasing/disbursement system.

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

11. Using Office documentation (e.g. electronic system control documentation, policy manual, written procedure), observed that the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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

12. Inquired of management and observed that the supply of unused checks is maintained in a locked location, with access restricted to those persons (as identified by management) that do not have signatory authority.

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

13. If a signature stamp or signature machine is used, inquired of the signer to determine that his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquired of the signer to determine that signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results: As no signature stamp or signature machine is used, this procedure is not applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) in effect during the fiscal period for all employees/officials, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

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

15. Using the listing obtained by management in #14 above, randomly selected 2 cards that were used during the fiscal period, rotating cards each year. Obtained the monthly statements for the selected cards for the fiscal period. Selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

a) Observed that there is evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

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

b) Observed that no finance charges and/or late fees were assessed on the selected statements.

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

16. Using the monthly statements selected under #15 above, obtained supporting documentation as follows for all transactions for each of the 2 cards selected.

a) For each transaction, observed that the transaction was supported by:

1) An original itemized receipt (i.e., identifies precisely what was purchased)

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

2) Documentation of the business/public purpose, if not evident from the receipt. For meal charges, there should also be documentation of the individuals participating.

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

- 3) If applicable, other documentation that is required by the written policy obtained in #1g above (e.g., purchase order, written authorization.)

Results: As there was no additional documentation required by the written policies, this procedure is not applicable.

- b) For each transaction, compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Office's written purchasing/disbursement policies obtained in #1b above and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and determined that the transaction complied with the requirements.

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

- c) For each transaction, compare the Office's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and determined that the transaction complied with the requirements (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

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

Travel and Expense Reimbursemen

17. Obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period. Obtained management's representation that the listing is complete.

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

18. Using the Office's written policies related to travel and expense reimbursements obtained in #1h above, compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and determined that no amounts exceeded GSA rates.

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

19. Using the listing detail from #17 above, selected the three persons who incurred the most travel costs during the fiscal period. Obtained the expense reimbursement reports or prepaid expense documentation of each selected person for the fiscal period, including the supporting documentation, and chose the largest travel expense for each person to inspect. For each of the three travel expenses selected:

- a) Compared expense documentation to the written policies and observed that each expense was reimbursed or prepaid in accordance with the written policy obtained in #1h above (e.g., rates established for meals, mileage, lodging).

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

- b) Observed that each expense is supported by:
- 1) An original itemized receipt that identifies precisely what was purchased.
Results: No exceptions were found as a result of applying the procedure.
 - 2) Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
Results: No exceptions were found as a result of applying the procedure.
 - 3) If applicable, other documentation as required by the written policy obtained in #1h above (e.g., authorization for travel, conference brochure, certificate of attendance).
Results: No exceptions were found as a result of applying the procedure.
- c) Compared the Office's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and determined that the transaction complied with the requirements (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
Results: No exceptions were found as a result of applying the procedure.
- d) Observed that each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
Results: No exceptions were found as a result of applying the procedure.

Contracts

20. Obtained a listing of all contracts in effect during the fiscal period. Obtained management's representation that the listing is complete.
Results: As the Office does not have any active contracts with vendors, this procedure was not applicable.
21. Using the listing from #20 above, selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to Carr, Riggs & Ingram, LLC). Obtained the related contracts and paid invoices during the fiscal period related to the five vendors selected and:
- a) Observed that there is a formal/written contract that supports the services arrangement and the amount paid.
Results: As the Office does not have any active contracts with vendors, this procedure was not applicable.
 - b) Compared each contract's detail to the requirements of Louisiana Public Bid Law. Determined whether each contract is subject to the Louisiana Public Bid Law and:

- 1) If yes, obtained/compared supporting contract documentation to legal requirements and observed that the Office complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

Results: As the Office does not have any active contracts with vendors, this procedure was not applicable.

- 2) If no, obtained supporting contract documentation and observed that the Office solicited quotes as a best practice.

Results: As the Office does not have any active contracts with vendors, this procedure was not applicable.

- c) Determined whether the contract was amended. If so, determined the scope and dollar amount of the amendment and observed that the original contract terms contemplated or provided for such an amendment.

Results: As the Office does not have any active contracts with vendors, this procedure was not applicable.

- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms as observed in the contract, and observed that the invoice and related payment complied with the terms and conditions of the contract.

Results: As the Office does not have any active contracts with vendors, this procedure was not applicable.

Payroll and Personnel

22. Obtained a listing of employees and elected officials during the fiscal period with their related salaries, and obtained management's representation that the listing is complete. Randomly selected five employees/officials, obtained their personnel files, and:

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

- a) Determined compensation paid to each employee during the fiscal period and observed that payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure as observed in the employees' personnel files.

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

- b) Inspected changes made to hourly pay rates/salaries during the fiscal period and observed that those changes were approved in writing and in accordance with the written policy obtained in #1e above.

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

23. Obtained attendance and leave records for the fiscal period and selected one pay period in which leave has been taken by at least one employee. Within that pay period, selected 25 employees/officials, and:

- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Results: As payroll was paid by St. Bernard Parish, leave was tracked on the Parish level and not the responsibility of the Office; therefore, this procedure was not applicable.

- b) Observed that there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Results: As payroll was paid by St. Bernard Parish, leave was tracked on the Parish level and not the responsibility of the Office; therefore, this procedure was not applicable.

- c) Observed that there is written documentation that the Office maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: As payroll was paid by St. Bernard Parish, leave was tracked on the Parish level and not the responsibility of the Office; therefore, this procedure was not applicable.

24. Obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If any termination payments were made during the fiscal year, selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files and if applicable, employment contract for the two employees/officials. Observed that the termination payments were made in strict accordance with the policy obtained in #1e above and/or employment contract and approved by management.

Results: As there were no terminations in the fiscal period, this procedure was not applicable.

25. Obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to all payroll taxes and retirement contributions during the fiscal period. Observed that the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines (as identified by management).

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

Ethics

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtained ethics compliance documentation from management and observed that the Office maintained documentation to demonstrate that required ethics training was completed.

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

27. Inquired of management whether any alleged ethics violations were reported to the Office during the fiscal period. If applicable, obtained and inspected documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Office's ethics policy obtained in #1i above. If management received allegations, observed that management investigated allegations received, and determined that the allegations were addressed in accordance with the policy obtained in #1i above.

Results: No alleged ethics violations were reported to the Office during the fiscal period.

Other

28. Inquired of management whether the Office had any misappropriations of public funds or assets during the fiscal period. If so, obtained/inspected supporting documentation and observed that the Office reported the misappropriation to the legislative auditor and the district attorney of the Office in which the Office is domiciled.

Results: There were no misappropriations of public funds or assets during the fiscal period.

29. Observed that the Office has posted on its premises and website, the notice required by R.S. 24:523.1.

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

30. If the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, reported the nature of each exception.

Results: No exceptions were found regarding management's representations in the procedures above, therefore this procedure is not applicable.

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

The purpose of this report is solely to describe the scope of procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

Cam, Riggs & Ingram, L.L.C.

June 25, 2018



PERRY M. NICOSIA, DISTRICT ATTORNEY

34th JUDICIAL DISTRICT

Parish of St. Bernard

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June 25, 2018

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

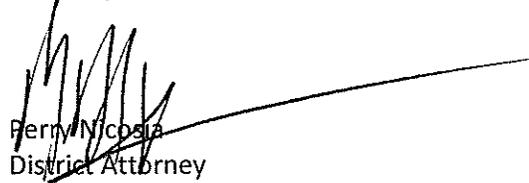
Carr, Riggs & Ingram, LLC
111 Veterans Blvd.
Suite 350
Metairie, LA 70005

RE: Management's Response to Statewide Agreed-Upon Procedures
34th Judicial District Attorney

Dear Sirs:

Entity will review policies and procedures in regard to the comments for each financial function and make appropriate changes that will improve operations and internal controls in each area that are cost effective and within our budget constraints.

Sincerely,



Perry M. Nicosia
District Attorney