
**DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT**

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2013



A Professional Accounting Corporation

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DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of the District Attorney of the Nineteenth Judicial District (the "District Attorney"), a component unit of the City-Parish of Baton Rouge, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District Attorney'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 District Attorney's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund and the aggregate remaining fund in formation of the District Attorney, as of December 31, 2013, 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 on pages 7-13 and budgetary comparison information on pages 35-36 and the schedule of funding progress and employer contributions on page 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 District Attorney's basic financial statements. The schedule of expenditures of federal awards on page 38 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards 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 27, 2014, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.



Baton Rouge, Louisiana
June 27, 2014

**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**

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, 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 and each major fund and the aggregate remaining fund information of the District Attorney of the Nineteenth Judicial District (the "District Attorney"), a component unit of the City-Parish of Baton Rouge, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 27, 2014.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney'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 District Attorney's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Matternally

Baton Rouge, Louisiana

June 27, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Nineteenth Judicial District's (the "District Attorney"), a component unit of the City-Parish of Baton Rouge, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District Attorney's major federal program for the year ended December 31, 2013. The District Attorney's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District Attorney's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of District Attorney's compliance.

Opinion on Each Major Federal Program

In our opinion, the District Attorney complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the District Attorney, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Postlethwait & Netterville

Baton Rouge, Louisiana
June 27, 2014

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

This section of District Attorney's annual financial report presents a discussion and analysis of the District Attorney's financial performance during the fiscal year that ended on December 31, 2013. Please read it in conjunction with the District Attorney's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District Attorney's total net position decreased by \$1,523,731 over the course of this year's operations. During the year, the District Attorney's expenses exceeded revenues by that amount.
- The General Fund reported an excess of expenditures when compared to revenue of \$684,675.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District Attorney:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The remaining statements are fund financial statements that focus on individual funds of the District Attorney and reporting the operations in these funds in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District Attorney's financial statements, including the portion of the District Attorney's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

Figure A-1
Major Features of District Attorney's Government and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District Attorney government (except fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary	Instances in which the District Attorney is the trustee or agent for someone else's resources, such as the retirement plan for District Attorney employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statements of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the District Attorney's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District Attorney's net position and changes in net position. Net position—the difference between the District Attorney's assets and deferred outflows, and liabilities and deferred inflows—is one way to measure the District Attorney's financial health, or position.

- Over time, increases or decreases in the District Attorney's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements, all of the District Attorney's activities are reported as government activities:

- Governmental activities—most of the District Attorney's basic services are included here. Fines and city and state grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District Attorney's most significant funds—not the District Attorney as a whole. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

The District Attorney has two kinds of funds:

- Governmental funds—Most of the District Attorney's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that are readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it provides additional information on the subsequent page that explains the relationship (or differences) between them.
- Fiduciary funds — Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. It excludes these activities from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Governmental Activities

Net position. The District Attorney's combined net position decreased from approximately \$(1,675,000) to \$(3,199,000) during the year.

**Table A-1
District Attorney's Net Position**

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 2,810,432	\$ 3,224,761
Capital assets, net of depreciation	612,497	577,448
Total assets	3,422,929	3,802,209
Current liabilities	702,863	471,207
Non-current liabilities	5,918,938	5,006,143
Total liabilities	6,621,801	5,477,350
Net assets		
Invested in capital assets, net of related debt	612,497	577,448
Unrestricted	(3,811,369)	(2,252,589)
Total net position	\$ (3,198,872)	\$ (1,675,141)

Changes in net position. The District Attorney's total revenues increased by less than 1 percent to approximately \$12.3 million (See Table A-2). Approximately \$4 million or 33 percent of the District Attorney's revenue comes from payments made on behalf of the District Attorney by the State of Louisiana and the City of Baton Rouge/Parish of East Baton Rouge for payroll related costs.

The total cost of all programs and services increased approximately \$224,000 or 2 percent. This is primarily due to increased retirement costs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2013

**Table A-2
Changes in District Attorney's Net Position**

	Governmental Activities	
	2013	2012
Revenues		
Program revenues		
Charges for services	\$ 2,911,865	\$ 3,161,361
State grants and entitlements	9,293,506	8,973,610
General revenues	100,264	44,168
Total revenues	12,305,635	12,179,139
Expenses		
Governmental activities	13,829,366	13,604,714
Total expenses	13,829,366	13,604,714
Decrease in net position	\$ (1,523,731)	\$ (1,425,575)

The decrease in net position is primarily due to the cost of postemployment healthcare benefits and salary costs exceeding the support received from the City-Parish and State governments.

A further breakdown of expenses by activity is reflected in Table A-3 below:

**Table A-3
Net Cost of District Attorney's Governmental Activities**

	Total Cost of Services		Net of Program Revenues	
	2013	2012	2013	2012
Public safety	\$ 12,619,016	\$ 12,297,435	(\$ 1,642,942)	(\$ 1,398,469)
IV-D program	1,210,350	1,307,279	18,947	(71,274)
	\$ 13,829,366	\$ 13,604,714	(\$ 1,623,955)	(\$ 1,469,743)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of approximately \$2.1 million, a decrease of approximately \$646,000 from last year. This is primarily due to salary costs exceeding the support received from the City-Parish and State governments.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013**

General Fund Budgetary Highlights

- Over the course of the year, the District Attorney amended its budget to reflect changes in estimated personnel costs. An analysis of the original budgets compared to final amended budget results is reflected in Table A-4:

**Table A-4
Original and Final Amended Budget Comparison
General Fund**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Revenue	\$ 10,783,267	\$ 11,172,960	\$ 389,693
Expenditures	<u>11,407,550</u>	<u>11,530,550</u>	<u>123,000</u>
Net expenditures	<u>\$ (624,283)</u>	<u>\$ (357,590)</u>	<u>\$ 266,693</u>

- A comparison of the actual results to the original budget is reflected in Table A-5:

**Table A-5
Original Budget Comparison
General Fund**

	<u>Original Budget</u>	<u>Actual Budget Results</u>	<u>Difference</u>
Revenue	\$ 10,783,267	\$ 11,075,807	\$ 292,540
Expenditures	<u>11,407,550</u>	<u>11,760,482</u>	<u>(352,932)</u>
Net expenditures	<u>\$ (624,283)</u>	<u>\$ (684,675)</u>	<u>\$ (60,392)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the District Attorney had invested \$612,497 in capital assets. (See Table A-6.)

**Table A-6
District Attorney's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2013	2012
Furniture and equipment	\$ 452,401	\$ 368,485
Vehicles	160,096	208,963
Total	\$ 612,497	\$ 577,448

The increase was primarily due to the acquisition of office furniture and law enforcement equipment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District Attorney is dependent on the State of Louisiana and the City of Baton Rouge for approximately 60 percent of its revenues. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth. Therefore, the District Attorney's future revenues are expected to be consistent with the current years. With little change in the District Attorney's operational costs, the budgeted expenditures for the 2014 year will be consistent with expenditures recognized in 2013.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Mark Dumaine, Chief of Administration, 222 St. Louis St., Governmental Building, 5th Floor, Baton Rouge, LA 70802

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS

Cash and cash equivalents	\$ 2,576,727
Receivables	233,705
Capital assets, net of accumulated depreciation	612,497
TOTAL ASSETS	<u>3,422,929</u>

LIABILITIES

Accounts payable	72,099
Accrued compensated absences	215,139
Other liabilities	415,625
Post-employment benefit liability	5,918,938
TOTAL LIABILITIES	<u>6,621,801</u>

NET POSITION

Invested in capital assets	612,497
Restricted	203,865
Unrestricted (deficit)	<u>(4,015,234)</u>
TOTAL NET POSITION	<u>\$ (3,198,872)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Program Revenues</u>		<u>Net (Expense)</u>	
	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>	
	<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>	
		<u>Contributions</u>	<u>Net Position</u>	
	<u>Expenses</u>		<u>Governmental</u>	
			<u>Unit</u>	
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
Public safety	\$ 12,619,016	2,911,865	8,064,209	\$ (1,642,942)
Health and welfare	1,210,350	-	1,229,297	18,947
Total governmental activities	<u>\$ 13,829,366</u>	<u>\$ 2,911,865</u>	<u>\$ 9,293,506</u>	<u>(1,623,995)</u>
General Revenues:				
Interest and investment earnings				7,737
Miscellaneous				92,527
Total general revenues and special items				<u>100,264</u>
Changes in net position				(1,523,731)
Net position - January 1, 2013				<u>(1,675,141)</u>
Net position - December 31, 2013				<u>\$ (3,198,872)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets:			
Cash and cash equivalents	\$ 2,396,921	\$ 179,806	\$ 2,576,727
Accounts receivable	130,896	101,748	232,644
Due from other funds	51,061	-	51,061
TOTAL ASSETS	<u>2,578,878</u>	<u>281,554</u>	<u>2,860,432</u>
Deferred Outflows:			
	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 2,578,878</u>	<u>\$ 281,554</u>	<u>\$ 2,860,432</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 71,037	\$ 1,062	\$ 72,099
Accrued compensated absences	188,512	26,627	215,139
Other liabilities	415,625	-	415,625
Due to other funds	-	50,000	50,000
TOTAL LIABILITIES	<u>675,174</u>	<u>77,689</u>	<u>752,863</u>
Deferred Inflows:			
	-	-	-
Fund balances:			
Spendable:			
Restricted	-	203,865	203,865
Unassigned	1,903,704	-	1,903,704
TOTAL FUND BALANCES	<u>1,903,704</u>	<u>203,865</u>	<u>2,107,569</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 2,578,878</u>	<u>\$ 281,554</u>	<u>\$ 2,860,432</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total fund balances - Governmental Funds		\$ 2,107,569
Post-employment benefit liability		(5,918,938)
Cost of capital assets at December 31, 2013	\$ 1,975,698	
Less: accumulated depreciation as of December 31, 2013	<u>(1,363,201)</u>	<u>612,497</u>
Total net assets at December 31, 2013 - Governmental Activities		<u>\$ (3,198,872)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Fines and forfeitures	\$ 1,136,172	\$ -	\$ 1,136,172
Interest	7,207	530	7,737
Intergovernmental revenue:			
Federal grants	113,673	1,229,297	1,342,970
City of Baton Rouge	5,215,166	-	5,215,166
State of Louisiana - supplemental salaries	2,484,500	-	2,484,500
State of Louisiana - victim assistance	110,000	-	110,000
Check collection fees	34,509	-	34,509
Narcotic seizure fees	76,679	-	76,679
Pre-trial program fees	1,467,264	-	1,467,264
Other fees	197,241	-	197,241
Other local support	140,870	-	140,870
Other	92,526	-	92,526
TOTAL REVENUES	<u>11,075,807</u>	<u>1,229,827</u>	<u>12,305,634</u>
<u>EXPENDITURES</u>			
General Government:			
Current operating:			
Personnel service	10,056,831	1,134,952	11,191,783
Auto and equipment	318,809	13,872	332,681
Supplies and office	314,428	12,840	327,268
Professional services	218,404	12,777	231,181
Sexual trauma support services	200,000	-	200,000
Truancy center	124,450	-	124,450
Other	351,598	16,696	368,294
Capital outlay	175,962	-	175,962
TOTAL EXPENDITURES	<u>11,760,482</u>	<u>1,191,137</u>	<u>12,951,619</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(684,675)</u>	<u>38,690</u>	<u>(645,985)</u>
Fund balances - beginning of year	<u>2,588,379</u>	<u>165,175</u>	<u>2,753,554</u>
Fund balances - end of year	<u>\$ 1,903,704</u>	<u>\$ 203,865</u>	<u>\$ 2,107,569</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Excess of Revenues under Expenditures		\$ (645,985)
Post-retirement benefit expense in excess of contributions paid		(912,795)
Capital Assets:		
Capital outlay capitalized	\$ 186,955	
Depreciation expense for year ended December 31, 2013	<u>(151,906)</u>	<u>35,049</u>
Change in Net Assets - Governmental Activities		<u>\$ (1,523,731)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2013

	<u>Narcotic Seizure Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 12,307
TOTAL ASSETS	<u>\$ 12,307</u>
<u>LIABILITIES</u>	
Due to other funds	\$ 1,061
Narcotics seizure - pending forfeitures	<u>11,246</u>
TOTAL LIABILITIES	<u>\$ 12,307</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Nineteenth Judicial District (District Attorney) has charge of every criminal prosecution by the State within his district, is the representative of the State before the grand jury in his district, is legal advisor to the grand jury, and performs other duties as provided by law. The Nineteenth Judicial District encompasses the Parish of East Baton Rouge, Louisiana.

A. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. GASB is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

The District Attorney's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The District Attorney adopted Governmental Accounting Standards Board Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Collectively, these statements changed the government-wide statement of net assets from three elements to five, adding deferred outflows and deferred inflows and renamed it to the statement of net position. Certain items previously reported as assets and liabilities such as loan organization fees and non-exchange revenue for future periods are reclassified to deferred outflows or inflows, or are no longer carried on the statement of net position

B. Financial Reporting Entity

For financial reporting purposes, in conformance with governmental accounting standards, the District Attorney is a part of the district court system in the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity.

As the governing authority of the Parish, for reporting purposes, the City-Parish Consolidated Government of Baton Rouge is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the primary government is financially accountable, (c) fiscally dependent, (d) and other organizations for which the 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.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **Financial Reporting Entity** (continued)

Governmental accounting standards established criteria for determining which component units should be considered part of the City-Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The governmental accounting standards have 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 City-Parish 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 City-Parish.
2. Organizations for which the City-Parish does not appoint a voting majority but are fiscally dependent on the City-Parish and pose a financial benefit or burden to the City- Parish.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District Attorney is an independently elected official. However, the District Attorney is fiscally dependent on the City-Parish.

Because the City-Parish provides a significant amount of financial revenues, the District Attorney was determined to be a component unit of the City-Parish of Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. **Fund Accounting**

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

C. **Fund Accounting** (continued)

Governmental Funds

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

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11 and accounts for the operations of the District Attorney's office.

Special Revenue Fund

The Special Revenue Fund consists of grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the Special Revenue Fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Fiduciary Fund Type Agency Fund

Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District Attorney has established the following agency fund:

Narcotic Seizure Account

The District Attorney's Narcotic Seizure Account is used to account for assets awarded by court judgments as a result of seizures and forfeitures of property in successfully prosecuted narcotics and other criminal investigations. The proceeds are held in custody by the District Attorney for distribution as provided under applicable Louisiana Statutes.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

D. **Basis of Accounting / Measurement Focus**

Government Wide Financial Statements (GWFS)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and Agency Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period or 60 days. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met and the resources are measurable and available. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. **Budgets and Budgetary Accounting**

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

1. In accordance with the Municipal Budget Act of the State of Louisiana, the District Attorney prepares operating budgets for the general and special revenue funds at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. Appropriations lapse at the end of each fiscal year.

F. **Compensated Absences**

The District Attorney adopted a policy for leave benefits which allows a maximum of 22.5 days of vacation leave per calendar year to be earned. Employees may accumulate a maximum of 80 hours to be carried forward to a succeeding calendar year. Upon termination, employees are paid up to 80 hours of their unused vacation leave. Sick leave is allowed to accrue and accumulate up to a maximum of 2,080 hours. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations. Under the leave policy adopted, accrual of unused vacation leave is recognized in the financial statements. However, accrual of unused sick leave is not recognized since the amount accumulated lapses upon termination.

G. **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

H. **Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 7 years.

I. **Operating Transfers In and Out**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

J. **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. **Other Post Employment Benefits (OPEBs)**

Government accounting principles establishes standards for the measurement, recognition, and display of OPEB costs and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan.

L. **Fund Equity of Fund Financial Statements**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Nonspendable – represent permanently nonspendable balances that are not expected to be converted to cash.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

L. **Fund Equity of Fund Financial Statements** (continued)

Spendable

Restricted – represent balances where constraints have been established by parties outside of the District Attorney or by enabling legislation

Committed – represent balances where constraints have been established by formal action of the District Attorney. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned – represent balances where informal constraints have been established by the District Attorney or committee or delegate thereof, but are not restricted nor committed.

Unassigned – represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the District Attorney reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the District Attorney reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

2. **CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2013 are as follows:

	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost of capital assets, December 31, 2012	\$ 1,114,350	\$ 849,481	\$ 1,963,831
Additions	141,572	45,383	186,955
Deletions	<u>(1,789)</u>	<u>(173,299)</u>	<u>(175,088)</u>
Cost of capital assets, December 31, 2013	<u>1,254,133</u>	<u>721,565</u>	<u>1,975,698</u>
Accumulated depreciation, December 31, 2012	745,865	640,518	1,386,383
Additions	57,656	94,250	151,906
Deletions	<u>(1,789)</u>	<u>(173,299)</u>	<u>(175,088)</u>
Accumulated depreciation, December 31, 2013	<u>801,732</u>	<u>561,469</u>	<u>1,363,201</u>
Capital assets, net of accumulated depreciation, at December 31, 2013	<u>\$ 452,401</u>	<u>\$ 160,096</u>	<u>\$ 612,497</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

2. **CAPITAL ASSETS** (continued)

Depreciation expense of \$151,906 for the year ended December 31, 2013 was charged to the following governmental functions:

Public service	\$ 134,064
Title IV-D	<u>17,842</u>
	<u>\$ 151,906</u>

3. **ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

For the year ended December 31, 2013, the District Attorney recorded on-behalf payments from the following sources:

City-Parish of East Baton Rouge	
Pensions	\$ 662,887
Insurance	747,786
Postemployment benefits	<u>405,550</u>
Total	<u>\$ 1,816,223</u>
State of Louisiana	
Salaries	\$ 2,210,000
Payroll taxes	75,000
Pension	<u>199,500</u>
Total	<u>\$ 2,484,500</u>

4. **INTERFUND TRANSACTIONS**

The following is a summary of amounts due from and due to other funds at December 31, 2013:

	<u>Due To</u>	<u>Due From</u>
General Fund		
District Attorney's Narcotic Seizure Fund	\$ 1,061	\$ -
District Attorney's IV fund	50,000	-
Special Revenue General Fund	-	50,000
Agency Fund		
General Fund	<u>-</u>	<u>1,061</u>
	<u>\$ 51,061</u>	<u>\$ 51,061</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents include demand deposits at local financial institutions with a carrying value of \$976,727 and investments in external investment pools with a carrying value of \$1,600,000 at December 31, 2013. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2013, the District Attorney's bank balances of these deposits totaled \$962,765 and were fully collateralized or FDIC insured and therefore was not exposed to custodial credit risk. Investments in external investment pools are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Louisiana Asset Management Pool (LAMP), a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participants' position is the same as the value of the pooled shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

6. DEFINED-BENEFIT PENSION PLANS

The District Attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System. This retirement system is a multiple employer cost sharing, defined-benefit, statewide public employee retirement system administered and controlled by a separate board of trustees.

The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by the state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

Plan members are required to contribute 8.0% of their annual covered salary beginning January 1, 2013 and the District Attorney is required to contribute an actuarially determined rate, which was 9.75% beginning July 2013. Employer Contributions for 2013, 2012, and 2011 totaled \$216,224, \$207,666 and \$187,145 respectively. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge and the East Baton Rouge Employees' Retirement System. The system administers a cost-sharing multiple-employer defined benefit pension plan. Pertinent information relative to the plan follows:

Plan Description. Any person who becomes a regular full-time employee, excluding commissioned law enforcement officers, becomes a member of the Retirement System as a condition of employment. An employee's benefit rights vest after the employee has been a member of the Retirement System for 10 years. There are two categories of benefit payments. Full retirement benefits are granted with 25 years of service, regardless of age. Minimum eligibility requirements are granted with 20 years of service regardless of age; or at age 55 with 10 years of service. Benefits are established and amended by an approved plan document under the authority of a board of trustees appointed by City Parish officials and employees. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information, which includes the regular account and the police guaranty trust account. Both trust accounts are administered by the CPERS Board. The financial report may be obtained by writing to the Employees' Retirement System, Post Office Box 1471, Baton Rouge, Louisiana 70821-1471.

Funding Policy. The plan requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are set by the CPERS board on an annual basis to properly fund the system. In 2013, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 29.44% of active payroll. The total contributions made by the District Attorney to CPERS for the years ended December 31, 2013, 2012, and 2011, were approximately \$795,000, \$645,000, and \$648,000 respectively. This was equal to the statutorily required contributions.

7. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. Beginning July 1998, the State eliminated incentive payments and began paying 100% of reimbursement requests. For the year ended December 31, 2013, the District Attorney expended \$1,229,297 in reimbursement payments.

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

Other programs are funded by the U. S. Department of Justice totaling \$113,673, which are passed through the Louisiana Commission of Law Enforcement. These programs are funded by reimbursements with certain matching requirements ranging from 0% to 25% to be funded by the District Attorney.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney, may at their option participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan description of the primary government:

The District Attorney is a component unit of the City-Parish and its employees participate in the health benefits program. The City-Parish OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the employer and its employees. Although no written plan or trust currently exists or is sanctioned by law the OPEB plan is reported based on communications to plan members.

Retirees may continue their coverage under the City-Parish's health plans in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his coverage paying the same premiums and receiving the same benefits as active employees.

The government pays the following percentages of scheduled premiums:

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Current Funding policy:

The contribution requirements of the employees/retirees and the City-Parish and participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During 2013, the dental plan was funded with employees and retirees contributing 48% of the dental premium and the City-Parish contributing 52% of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy are funded by the employer. The health plan is a self-insured program with a third party administrator. During 2013, employees and retirees contributed 12%-42% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 58%-88% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

The employer contribution to the OPEB plan for 2013 totaled \$19,141,420; or approximately 12% of gross payroll as approved by the Metropolitan Council in the 2013 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled \$6,702,924 for 2013. Approximately 3,800 active employees and 2,300 retirees along with applicable dependents were covered by the plan in 2013.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

8. **OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (continued)

Annual OPEB Cost and Net OPEB Obligation:

The City-Parish's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of Section P50 of the GASB *Codification of Government Accounting and Financial Reporting Standards*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the January 1, 2013, biannual actuarial valuation performed by an outside actuary consultant. These components of OPEB were allocated to the District Attorney based on its proportionate share of total contributions made in the previous year.

The following table shows the components of the District Attorney's allocated share of the City-Parish's annual OPEB cost for the year ended December 31, 2013 and the amount actually contributed to the plan during the year:

Annual required contribution (ARC)	\$ 1,268,017
Interest on net OPEB obligation	208,803
Adjustment to ARC	<u>(207,450)</u>
Annual OPEB cost (expense)	1,269,370
Less: Contributions made	<u>(356,575)</u>
Increase in net OPEB obligation	912,795
Net OPEB obligation-beginning of year	<u>5,006,143</u>
Net OPEB obligation-end of year	<u>\$ 5,918,938</u>

Trend Information for OPEB Plan:

Fiscal Year <u>End</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
12/31/11	\$ 1,259,750	29.1%	\$ 4,093,842
12/31/12	1,263,114	27.8%	5,006,143
12/31/13	1,269,370	28.1%	5,918,938

Funding status and funding progress:

As of January 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The District Attorney's allocated portion of the actuarial accrued liability for benefits was approximately \$17.7 million with no valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Funding progress for the most recent valuation date is as follows:

Actuarial Valuation Date	January 1, 2013
Actuarial Accrued Liability (AAL)	\$ 17,669,298
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 17,669,298</u>
Funded Ratio (Actuarial Value of Assets/AAL)	0%
Covered Payroll (active plan members)	\$ 4,875,454
UAAL as a percentage of covered payroll	362.41%

Actuarial methods and assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The unit credit actuarial cost method was used for the January 1, 2013, actuarial valuation. Because the government currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical (and expected investment that are expected to be used in financing the payment of benefits). The actuarial assumptions included a four percent investment rate of return, compounded annually. Life expectancies were based on the Sex Distinct 2000 Combined Healthy Mortality Table set projected to 2014 using Scale AA. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability, retirement rates, and withdrawal rates are based on the government's historical data using probabilities from the government's retirement systems.

Both historical retiree claim costs and year 2013 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. In addition to a general inflation rate of 2.5 percent, the plan assumes a medical inflation rate of 5.6% beginning in 2013, decreasing to a rate of 4.5% in 2088. The actuarial valuation also assumes that (1) seventy-five to eighty-five percent of employees are assumed to be married at retirement; (2) female spouses are assumed to be three years younger than males; (3) fifty-five percent of employees are assumed to be married at retirement will elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; and (5) one hundred percent of employees will elect Medicare coverage when they are first eligible, and (6) ten percent of participants hired prior to April 1, 1986, are assumed to be ineligible for Medicare upon reaching age sixty-five. However, all spouses of retirees are assumed to be Medicare eligible upon reaching age sixty-five.

The amortization method for the plan is a level percentage of payroll with a thirty year open amortization. The expected long-term payroll growth rate was estimated at 3.0 percent, compounded annually. The remaining amortization period at January 1, 2013, was thirty years.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

9. **SUBSEQUENT EVENTS**

The District Attorney has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Fines and forfeitures	\$ 900,000	\$ 1,080,000	\$ 1,136,172	\$ 56,172
Interest	12,000	8,000	7,207	(793)
Intergovernmental revenue:				
City of Baton Rouge	5,249,810	5,249,810	5,215,166	(34,644)
State of Louisiana	2,369,457	2,443,150	2,594,500	151,350
Federal grants	100,000	155,000	113,673	(41,327)
Check collection fees	35,000	35,000	34,509	(491)
Narcotic seizure fees	100,000	100,000	76,679	(23,321)
Pre-trial intervention program fees	1,400,000	1,400,000	1,467,264	67,264
Other	617,000	702,000	430,637	(271,363)
Total Revenues	<u>10,783,267</u>	<u>11,172,960</u>	<u>11,075,807</u>	<u>(97,153)</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	9,705,550	9,705,550	10,056,831	(351,281)
Auto and equipment	340,000	330,000	318,809	11,191
Supplies and office	155,000	310,000	314,428	(4,428)
Professional services	226,000	223,000	218,404	4,596
Other	816,000	727,000	676,048	50,952
Capital outlay	165,000	235,000	175,962	59,038
Total Expenditures	<u>11,407,550</u>	<u>11,530,550</u>	<u>11,760,482</u>	<u>(229,932)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(624,283)</u>	<u>(357,590)</u>	<u>(684,675)</u>	<u>(327,085)</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>2,633,846</u>	<u>2,588,379</u>	<u>2,588,379</u>	<u>-</u>
End of year	<u>\$ 2,009,563</u>	<u>\$ 2,230,789</u>	<u>\$ 1,903,704</u>	<u>\$ (327,085)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

CHILD SUPPORT ENFORCEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Interest	\$ -	\$ 500	\$ 530	\$ 30
Intergovernmental revenue:				
Louisiana Department of Social Services	1,233,041	1,263,541	1,229,297	(34,244)
Other	-	-	-	-
Total Revenues	<u>1,233,041</u>	<u>1,264,041</u>	<u>1,229,827</u>	<u>(34,214)</u>
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	1,172,241	1,249,976	1,134,952	115,024
Auto and equipment	22,000	38,665	13,872	24,793
Supplies and office	32,400	19,900	12,840	7,060
Professional services	10,000	-	12,777	(12,777)
Other	6,400	6,500	16,696	(10,196)
Capital outlay	-	-	-	-
Total Expenditures	<u>1,243,041</u>	<u>1,315,041</u>	<u>1,191,137</u>	<u>123,904</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>(10,000)</u>	<u>(51,000)</u>	<u>38,690</u>	<u>89,690</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>206,622</u>	<u>165,175</u>	<u>165,175</u>	<u>-</u>
End of year	<u>\$ 196,622</u>	<u>\$ 114,175</u>	<u>\$ 203,865</u>	<u>\$ 89,690</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH AND DENTAL LIFE INSURANCE PROGRAMS
YEAR ENDED DECEMBER 31, 2013

SCHEDULE OF FUNDING PROGRESS

<u>Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2013	1/1/2013	\$ -	\$ 17,669,298	\$ 17,669,298	0.00%	\$ 4,875,454	362.41%
12/31/2012	1/1/2011	\$ -	19,222,580	19,222,580	0.00%	4,676,943	411.01%
12/31/2011	1/1/2011	-	19,174,909	19,174,909	0.00%	4,446,779	431.21%
12/31/2010	1/1/2009	-	15,309,437	15,309,437	0.00%	4,685,617	326.73%
12/31/2009	1/1/2009	-	15,309,437	15,309,437	0.00%	4,534,492	337.62%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Increase (Decrease) to Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
12/31/2013	\$ 1,269,370	\$ 356,575	28.09%	\$ 912,795	\$ 5,918,938
12/31/2012	1,263,114	350,813	27.77%	912,301	5,006,143
12/31/2011	1,259,750	366,163	29.07%	893,587	4,093,842
12/31/2010	1,055,135	347,501	32.93%	707,634	3,200,255
12/31/2009	1,061,087	242,435	22.85%	818,652	2,492,621

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services Passed Through the <u>Louisiana Department of Social Services</u>			
Child Support Enforcement Title IV-D	93.563	DSS #694630	\$ 1,229,297
U.S. Department of Justice Passed Through <u>Louisiana Commission of Law Enforcement</u>			
Juvenile Justice and Delinquency Prevention	16.540	J11-5-001	5,728
Juvenile Justice and Delinquency Prevention	16.540	J10-5-001	16,901
Crime Victim Assistance	16.575	C12-5-001	42,710
Violence Against Women Formula Grant	16.588	M12-5-001	23,562
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	B12-5-005	<u>24,772</u>
			<u>113,673</u>
Total Federal Expenditures			<u>\$ 1,342,970</u>

Note A – Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of District Attorney of the Nineteenth Judicial District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B – Reconciliation to Financial Statements

The expenditures for the Title IV-D program are reported on the Statement of Revenues, Expenditures, and changes in Fund Balances as expenditures of \$1,229,297 in the Special Revenue Fund and the remaining law enforcement grant expenditures totaling \$113,673 are reflected in the General Fund.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.563	Title IV-D

The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.

The District Attorney was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs

None.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings – Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs

None.

June 27, 2014

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, LA

In planning and performing our audit of the financial statements of the District Attorney of the Nineteenth Judicial District (District Attorney), for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the District Attorney's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are set forth below. We previously reported on the District Attorney's internal control in our report dated June 27, 2014. This letter does not affect our report dated June 27, 2014, on the financial statements of the District Attorney.

2013 – 1 Deficit Net Position and Deteriorating Fund Balance

Observation:

We observed that the DA has sustained deficient revenues during each of the five years ending December 31, 2013, 2012, 2011, 2010 and 2009. Net position is depleted. Historical and projected changes in net position are presented in the attached Schedule A.

Note that the projected amounts were based on the 2014 budget with adjustments for the City of Baton Rouge's allocation of its other post employment benefit cost (OPEB) allocation to the District Attorney. The OPEB used in the projection were based on the OPEB allocation in 2013 adjusted for an average inflation of 5.00%.

We further observed that the general fund has had trend of deficient revenues, deteriorating its fund balance as follows:

Year	Revenues in Excess of Expenditures	Beginning Fund Balance	Ending Fund Balance
2012	(438,411)	3,026,789	2,588,379
2013	(684,675)	2,588,379	1,903,704
2014 (Budgeted)	(524,528)	1,903,704	1,379,176

Recommendation:

We recommend that the District Attorney consider the impact of the growing net position deficit and the deteriorating fund balance of the general fund.

Management Response:

Since taking office in 2009, the District Attorney has maintained communications with the Mayor-President and the City-Parish Metropolitan Council about the growing net position deficit and deteriorating fund balance of his office. All parties understand that the City-Parish is responsible under State law for funding the reasonable and necessary expenses of the District Attorney's office. In addition, all parties are well aware that the District Attorney has had to use his general fund balance to satisfy an existing shortfall between City-Parish financial contributions and the actual personnel and benefit costs of District Attorney employees.

Table 1. Annual "shortfall" payments from District Attorney general funds to the City-Parish by year

2008	\$893,961
2009	\$1,249,092
2010	\$1,791,763
2011	\$1,863,000
2012	\$2,014,384
2013	\$2,161,920

2013 – 1 Deficit Net Position and Deteriorating Fund Balance (Continued)

Annually the District Attorney's financial operations are reviewed as part of the City-Parish budget planning process. For the 2015 budget the District Attorney has provided the City-Parish with a letter specifically noting that the projected decrease in District Attorney general funds to \$1.2 million by year-end 2015 that would result in liquidity issues for his office. The City-Parish has assured the District Attorney that they are monitoring the office's declining general fund balance and are committed to providing this office with sufficient funding to ensure continued operation.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the District Attorney, management, accounting and federal grant program administrators and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.

Sincerely,

Postlethwait & Nettville

District Attorney of the Nineteenth Judicial District
Five Year Schedule of Historical Changes and Projected Changes in Net Position
(Unaudited)

Schedule A

Historical Changes in Net Position
As of December 31

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues	\$ 10,776,133	\$ 10,950,596	\$ 12,251,854	\$ 12,179,139	\$ 12,305,635
Expenses	<u>11,828,374</u>	<u>11,920,853</u>	<u>12,839,426</u>	<u>13,604,714</u>	<u>13,829,366</u>
Expenses over Revenues	(1,052,241)	(970,257)	(587,572)	(1,425,575)	(1,523,731)
Beginning Net Position	<u>2,360,504</u>	<u>1,308,263</u>	<u>338,006</u>	<u>(249,566)</u>	<u>(1,675,141)</u>
Ending Net Position	<u>\$ 1,308,263</u>	<u>\$ 338,006</u>	<u>\$ (249,566)</u>	<u>\$ (1,675,141)</u>	<u>\$ (3,198,872)</u>

Projected Changes in Net Position
As of December 31

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$ 12,391,063	\$ 12,391,063	\$ 12,391,063	\$ 12,391,063	\$ 12,391,063
Expenses	<u>13,925,091</u>	<u>13,973,091</u>	<u>14,024,091</u>	<u>14,077,091</u>	<u>14,132,091</u>
Expenses over Revenues	(1,534,028)	(1,582,028)	(1,633,028)	(1,686,028)	(1,741,028)
Beginning Net Position	<u>(3,198,872)</u>	<u>(4,732,900)</u>	<u>(6,314,928)</u>	<u>(7,947,956)</u>	<u>(9,633,984)</u>
Ending Net Position	<u>\$ (4,732,900)</u>	<u>\$ (6,314,928)</u>	<u>\$ (7,947,956)</u>	<u>\$ (9,633,984)</u>	<u>\$ (11,375,012)</u>