

Office of the District Attorney of the 34th Judicial District

REVIEWED FINANCIAL REPORT

For the Year Ended December 31, 2014



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Office of the District Attorney of the 34th Judicial District
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of the governmental activities, and the General Fund and Special Revenue Fund of the Office of the District Attorney of the 34th Judicial District (the "Office"), as of December 31, 2014, which collectively comprise the Office's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Office. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Office is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 30, 2015, on the results of our agreed-upon procedures.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been

subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

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

June 30, 2015

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 6.

FINANCIAL HIGHLIGHTS

The Office's assets exceeded its liabilities at the close of the fiscal year by \$2,706,723 (net position), which represent a 1.02% increase from last year.

The Office's revenues decreased by \$48,525 (or 29.92%) principally due to a decrease in commissions and fines.

The Office's expenses increased by \$25,256, which represents a 42.73% increase from last year.

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. All of the funds of the Office are governmental funds.

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 fiscal year. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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.

The Office maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Title IV-D Incentives Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Title IV-D Incentives Special Revenue Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 6-12 of this report.

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, 2014, assets exceed liabilities by \$2,706,723.

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

CONDENSED STATEMENTS OF NET POSITION

	December 31,		Dollar Change	Total % Change
	2014	2013		
Current and other assets	\$ 2,705,696	\$ 2,668,249	\$ 37,447	1.40
Capital assets	10,600	11,200	(600)	(5.36)
Total assets	<u>2,716,296</u>	<u>2,679,499</u>	<u>36,847</u>	1.38
Current liabilities	9,573	-	9,573	100
Net position:				
Invested in capital assets	10,600	11,200	(600)	(5.36)
Assigned	129,638	129,636	2	0.002
Unassigned	<u>2,566,485</u>	<u>2,538,613</u>	<u>27,842</u>	1.10
Current and other assets	<u>\$ 2,706,723</u>	<u>\$ 2,679,449</u>	<u>\$ 27,274</u>	1.02

GOVERNMENTAL ACTIVITIES

Governmental activities increased the Office's net assets by \$29,542. Intergovernmental revenues and expenses of on-behalf payments for both years were eliminated for this presentation. Key elements of this increase are:

CONDENSED STATEMENTS OF ACTIVITIES

	December 31,		Dollar Change	Total % Change
	2014	2013		
Revenues:				
Commission of fines	\$ 41,054	\$ 79,396	\$ (38,342)	(48.29)
Acts 834 and 293	60,593	67,419	(6,826)	(10.12)
Interest income	2,821	2,692	129	4.79
Miscellaneous	<u>9,167</u>	<u>12,653</u>	<u>(3,486)</u>	(27.55)
Total revenues	113,635	162,160	(48,525)	(29.92)
Expenses:				
General and other				
governmental and other	<u>86,361</u>	<u>60,505</u>	<u>25,256</u>	42.73
Increase in net position	27,274	101,655	(73,781)	(73.17)
Net position beginning of year	<u>2,679,449</u>	<u>2,577,794</u>	<u>101,655</u>	3.94
Net position end of year	<u>\$ 2,706,723</u>	<u>\$ 2,679,449</u>	<u>\$ 27,274</u>	1.02

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

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 \$2,696,123, an increase of \$27,874 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 \$2,566,485. Office's General Fund balance increased by \$27,872 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Office adopted a budget during the year and did not amend the budget during the year.

During the year, revenues were lower than budgetary estimates by approximately \$10,865 and expenditures were higher than budgetary estimates by approximately \$14,493.

CAPITAL ASSETS

The Office's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$10,600 (net of accumulated depreciation). This investment in capital assets includes facility improvements.

	<u>2014</u>	<u>2013</u>
Facility improvements	<u>\$ 10,600</u>	<u>\$ 11,200</u>

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

<i>For the year ended December 31,</i>	2014
Assets	
Cash and cash equivalents	\$ 1,856,275
Certificates of deposit	833,180
Due from other governments	10,103
Accrued interest	846
Prepays	5,292
Capital assets being depreciated, net	10,600
Total Assets	2,716,296
Liabilities	
Accounts payable	9,573
Total Liabilities	9,573
Net Position	
Net investment in capital assets	10,600
Restricted	129,638
Unrestricted	2,566,485
Total Net Position	\$ 2,706,723

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

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

For the year ended December 31,

2014

Function/Programs	Expenses	Program Revenues	Charges for Services	Net (Expense) Revenue and Change in Net Position
Governmental Activities				Governmental Activities
General government	\$ 1,146,759	\$ 1,162,045		\$ 15,286

General revenues:

Interest and investment earnings	2,821
Miscellaneous income	9,167
Total General Revenues	11,988
Change in net position	27,274
Net position - beginning of year	2,679,449
Net position - end of year	\$ 2,706,723

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

FUND FINANCIAL STATEMENTS

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

For the year ended December 31,

2014

	General Fund	Title IV - D Incentives Special Revenue	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,726,637	\$ 129,638	\$ 1,856,275
Certificates of deposit	833,180	-	833,180
Due from other governmental entities:			
Due from St. Bernard Parish Sheriff's Office			
Commission on fines	1,323	-	1,323
Bond premium fees	2,416	-	2,416
Court costs	890	-	890
Act 1443 fees	595	-	595
Due from St. Bernard Parish Government	4,879	-	4,879
Accrued interest	846	-	846
Prepays	5,292	-	5,292
Total assets	\$ 2,576,058	\$ 129,638	\$ 2,705,696
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 9,573	\$ -	\$ 9,573
Total liabilities	9,573	-	9,573
Fund balance:			
Assigned	-	129,638	129,638
Unassigned	2,566,485	-	2,566,485
Total fund balance	2,566,485	129,638	2,696,123
Total liabilities and fund balance	\$ 2,576,058	\$ 129,638	\$ 2,705,696

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

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

For the year ended December 31, **2014**

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

Fund balance, total governmental fund **\$ 2,696,123**

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

Governmental capital assets	12,000	
Less accumulated depreciation	<u>(1,400)</u>	
		10,600

Net position of governmental activities **\$ 2,706,723**

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

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

For the year ended December 31,

2014

	General Fund	Title IV-D Incentives Special Revenue	Total
Revenues			
Bond premium fees - Act 834 of 1993	\$ 48,263	\$ -	\$ 48,263
Commissions on fines	41,054	-	41,054
Intergovernmental revenues - on-behalf payments	1,060,398		1,060,398
Court costs - Act 293 of 1986	12,330	-	12,330
Act 1443 fees	9,167	-	9,167
Interest income	2,691	130	2,821
Total Revenues	1,173,903	130	1,174,033
Expenditures			
Current:			
General government:			
Personnel services	1,107,028	-	1,107,028
Other services and charges	39,003	128	39,131
Total Expenditures	1,146,031	128	1,146,159
Net change in fund balance	27,872	2	27,874
Fund balance - beginning of year	2,538,613	129,636	2,668,249
Fund balance - end of year	\$ 2,566,485	\$ 129,638	\$ 2,696,123

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

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

<i>For the year ended December 31,</i>	2014
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balance, total governmental fund	\$ 27,874
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(600)
Change in net position of governmental activities	\$ 27,274

The accompanying notes are an integral part of these 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

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 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, 2013.

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.

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

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.

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)**

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 and Special Revenue 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.

The General Fund and Special Revenue 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.

Investments – Investments consist of certificates of deposits stated at cost, which approximates market value.

Accounts Receivable – The basic financial statements of the Office contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

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 \$500 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 is expensed as incurred.

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)**

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:

Leasehold improvements 20 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.

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.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 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. As of December 31, 2014 and for the year then ended, the Office did not have or receive restricted net assets.

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, 2014.

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, 2014.

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)**

Committed- amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed equity as of December 31, 2014.

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.

For classification of Governmental Fund balances, the Office considers an expenditure to be made from the most restrictive first when more than one classification is available. The Office's fund balance as of December 31, 2014 totaled \$2,705,696 of which \$2,566,485 was classified as unassigned and \$129,638 was classified as assigned.

New GASB Statement - The following Accounting Standards Update (ASU) issued and adopted by the Governmental Accounting Standards Board (GASB) may impact the Authority's financial statements. These pronouncements have not been adopted by the District Attorney as of December 31, 2014.

In June 2012 the Governmental Accounting Standards Board Statement (GASB) issued GASB No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27 replaces Statement 27 Accounting for Pensions by State and Local Governmental Employers and Statement 50 Pension Disclosures*. GASB 68 requires governments providing defined benefit plans to report the net pension liability in their statement of net position. This net pension liability is the difference between the present value of the pension liability and the fair value of pension assets, set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014. Management is unable to estimate the impact of the adoption of this accounting pronouncement at this time.

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 30, 2015, 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

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-I/P-1) commercial paper of domestic corporations.

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

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits.

Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year-end bank balances are as follows:

	Bank Balances	Reported Amount
Cash	\$ 1,856,275	\$ 1,856,275
Investments:		
Certificates of deposit	833,180	833,180
Totals	\$ 2,689,455	\$ 2,689,455

Custodial credit risk is the risk that in the event of a bank failure, the Office's deposits may not be returned to it. The Office has a written policy for custodial credit risk. As of December 31, 2014, cash and certificates of deposit were adequately collateralized by securities held by unaffiliated banks for the account of the Office. GASB considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39: 1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Capital assets being depreciated:				
Facility improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Less accumulated depreciation for:				
Leasehold improvements	(800)	(600)	-	(1,400)
Total capital assets, net	\$ 11,200	\$ (600)	\$ -	\$ 10,600

These amounts are based on physical inventory of capital assets.

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

NOTE 4: POST EMPLOYMENT BENEFITS

The District Attorney does not offer post-retirement benefits to its employees.

NOTE 5: PENSION PLANS

All individuals who work at the District Attorney's offices are paid by the St. Bernard Parish Government and are consequently members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system ("PERS"), which is controlled and administered by a separate board of trustees. The District Attorney is a member of the Louisiana District Attorneys' Retirement System, a multi-employer cost-defined sharing, and benefit pension plan. GASB requires certain disclosure for employers who maintain retirement plans for their employees, both retirement systems mentioned above present the required retirement plan information in separately issued financial statements. Both retirement plans mentioned above are administered and controlled by separate boards of trustees.

The Louisiana's District Attorneys' Retirement System's annual financial report includes financial statements and required supplementary information for the System. That report may be obtained by writing the Louisiana District Attorneys' Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

The Public Retirement System Actuarial Committee has recommended that the employee and employer contributions for the District Attorneys' Retirement System be set at 8.00% and 9.75%, respectively, for the fiscal year July 1, 2013 through June 30, 2014 and 8.00% and 7.00% respectively, for the fiscal year July 1, 2014 through June 30, 2015. Total contributions for the year ended December 31, 2014 were \$3,500.

NOTE 6: RISK MANAGEMENT

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

NOTE 7: ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

The State of Louisiana and the St. Bernard Parish Government pay a portion of the salaries and benefits of the Office. The Office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. For the year ended December 31, 2014, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with Governmental Accounting Standards Board Statement 24, as intergovernmental revenues and expenditures as follows:

General Fund:		
State of Louisiana	\$	403,462
St. Bernard Parish Government		656,936
Total on-behalf payments	\$	1,060,398

REQUIRED SUPPLEMENTARY INFORMATION

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,

2014

	<u>Budgetary Amounts</u>			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Bond premium fees - Act 834 of 1993	\$ 55,000	\$ 55,000	\$ 48,263	\$ (6,737)
Commissions on fines	28,000	28,000	41,054	13,054
Intergovernmental revenues - on-behalf payments	1,060,398	1,060,398	1,060,398	-
Court costs - Act 293 of 1986	15,000	15,000	12,330	(2,670)
Act 1443 fees	13,000	13,000	9,167	(3,833)
Interest income	2,500	2,500	2,821	321
Other	1,000	1,000	-	(1,000)
Miscellaneous	10,000	10,000	-	(10,000)
Total Revenues	1,184,898	1,184,898	1,174,033	(10,865)
Expenditures				
General government:				
Personnel services	1,109,898	1,109,898	1,107,028	2,870
Other services and charges	8,500	8,500	39,131	(30,631)
Other	1,000	1,000	-	1,000
Miscellaneous	10,000	10,000	-	10,000
Total Expenditures	1,129,398	1,129,398	1,146,159	(16,761)
Net Change in Fund Balance	55,500	55,500	27,874	(27,626)
Fund Balances, Beginning of Year	2,668,249	2,668,249	2,668,249	-
Fund Balances, End of Year	\$ 2,723,749	\$ 2,723,749	\$ 2,696,123	\$ (27,626)

**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,

2014

Agency Head Name: Perry M. Nicosia (Current DA) and John F. Rowley (Prior DA)

Purpose	Perry M. Nicosia	John F. Rowley	Total Amount
Salary	\$ 6,408	\$ 32,958	\$ 39,366
Benefits-insurance	-	-	-
Benefits-retirement	449	2,916	3,365
Uniforms	-	-	-
Per diem	-	-	-
Reimbursements	925	-	925
Travel	-	-	-
Fuel usage	88	-	88
Conference travel	207	-	207
Continuing professional education fees	-	-	-
Housing	-	-	-
Unvouched expenses	-	-	-
Special meals	-	-	-
Total paid by Office of the District Attorney of the 34th Judicial District	8,077	35,874	43,951
On-behalf payments for salaries and fringe benefits:			
Salaries from the state of Louisiana	4,808	43,846	48,654
Salaries from the Parish of St. Bernard	4,339	39,300	43,639
Fringe benefits from the Parish of St. Bernard	304	7,895	8,199
Total on-behalf payments	9,451	91,041	100,492
Total	\$ 17,528	\$ 126,915	\$ 144,443

OTHER INDEPENDENT ACCOUNTANT'S REPORT

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
AGREED-UPON PROCEDURES FOR COMPLIANCE
WITH LAWS AND REGULATIONS**

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Office of the District Attorney of the 34th Judicial District (the “Office”) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management’s assertions about the Office’s compliance with certain laws and regulations during the year ended December 31, 2014, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with 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 the 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.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

No expenditures were made for materials and supplies exceeding \$30,000 or public work exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Marshal and his employees, as well as their immediate families.

The Office provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Office provided us with the required listing.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list provided by the Office in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Office provided us with a copy of the original budget.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues were below the budgeted amount by more than 5% and actual expenditures exceeded the budgeted amount by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

No exceptions noted.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

No exceptions noted.

- c) Determine whether payments received approval from proper authorities.

No exceptions noted.

During the course of applying the above procedure, we became aware of finding 2014-01 and included it in the schedule of current year findings.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:12 (the open meetings law).

Not applicable.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

No deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

No indication that payments to employees would constitute bonuses, advances, or gifts were noted.

Prior Comments and Recommendations

Not applicable.

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Office of the District Attorney of the 34th Judicial District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carly Riggs & Ingram, L.L.C.

June 30, 2015

**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, 2014.

Part II – Compliance

Finding 2014-01 Budget Compliance

Criteria

The District Attorney adopted its 2014 operating revenue and expenditure budget by *passage of ordinance*. The Local Governmental Budget Act, R.S. 39:1301 et. Seq., requires that a local government amend its budget when actual revenues are expected to be significantly below the budgeted amounts and when actual expenditures are expected to be significantly in excess of budgeted amounts.

Condition

The District Attorney did not amend its adopted budget when its total actual revenues were below total budgeted revenues by 5% or more, or when expenditures exceeded total budgeted expenditures by 5% or more.

Effect

The DA was not in compliance with the Local Government Budget Act.

Recommendation

We recommend that the DA monitor the budget to actual comparisons on a regular basis so proper budget amendments can be made.

Management's corrective action plan or current status

The Office of the District Attorney of the 34th Judicial District has a newly elected District Attorney. The District Attorney will monitor the revenues and expenditures on a regular basis in order to amend the budget in a timely manner and remain in compliance with the Local Government Budget Act.



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

Part 1 – Financial Statement Findings

No findings noted for the year ended December 31, 2013.

Part 2 – Compliance

No findings noted for the year ended December 31, 2013.

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

_____ (Date Transmitted)

Carr, Riggs & Ingram, LLC
4330 Dumaine Street
New Orleans, LA 70119 (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u><i>[Signature]</i></u> - District Attorney	Secretary	<u>6/19/15</u>	Date
_____	Treasurer	_____	Date
_____	President	_____	Date