

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
NEW ORLEANS, LOUISIANA**

DECEMBER 31, 2014 AND 2013

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PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

INDEPENDENT AUDITOR'S REPORT

District Attorney of the Orleans Judicial District
619 S. White St.
New Orleans, Louisiana 70119

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Orleans Judicial District, a component unit of the City of New Orleans, as of and for the years ended December 31, 2014 and 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the District Attorney of the Orleans Judicial District, a component unit of the City of New Orleans, as of December 31, 2014 and 2013, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7–10 and 39 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 of the Orleans Judicial District's basic financial statements. The schedule of expenditures of federal awards 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 compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 30, 2015, 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, 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.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
June 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The District Attorney of the Orleans Judicial District (the "District Attorney") management's discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District Attorney's financial activity, and identify changes in the District Attorney's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and is intended to provide the financial results for the fiscal year ending December 31, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the District Attorney's basic financial statements, as required in GASB 34, the financial report is presented in the following order:

- Management's Discussion and Analysis
- Basic Financial Statements
 - Government-Wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
- Other Required Supplementary Information
 - Budgetary Comparison Schedule
 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer
- Single Audit Section

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide a perspective of the District Attorney's Office as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statements of Net Position and the Statements of Activities.

The Statements of Net Position combine and consolidate governmental funds' current financial resources (short-term expendable resources) with capital assets and long-term obligations, regardless of whether or not they are currently available.

Consistent with the full accrual basis method of accounting, the Statements of Activities account for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various services.

FUND FINANCIAL STATEMENTS

The fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used. In addition, capital asset purchases are expensed and not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The District Attorney has two types of funds: Governmental Funds and Fiduciary Funds.

Governmental Funds

The Governmental Funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District Attorney's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of expendable resources and balances of expendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of expendable resources for the near-term. Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The funds accounted for in this category by the District Attorney are the Asset Forfeiture Agency Funds, Bond Forfeiture Agency Funds, and ECU Collections Agency Funds.

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets	\$ 820,798	\$ 1,395,420
Capital assets, net	177,082	222,381
Total assets	<u>\$ 997,880</u>	<u>\$ 1,617,801</u>
LIABILITIES		
Current liabilities	\$ 1,132,159	\$ 967,964
Notes Payables	<u>1,507,593</u>	<u>1,537,593</u>
Total liabilities	<u>2,639,752</u>	<u>2,505,557</u>
NET POSITION		
Invested in capital assets	177,082	222,381
Restricted	140,575	63,571
Unrestricted (deficit)	<u>(1,959,529)</u>	<u>(1,173,708)</u>
Total net position	<u>\$ (1,641,872)</u>	<u>\$ (887,756)</u>

As indicated by the statement above, total net position as of December 31, 2014 and 2013 was \$(1,641,872) and \$(887,756), respectively. Net position can be separated into three categories: invested in capital assets, restricted, and unrestricted net position.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Net position invested in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets as of December 31, 2014 and 2013 is \$802,595 and \$799,329, respectively, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation as of December 31, 2014 and 2013 is \$625,513 and \$576,948, respectively.

Restricted net position is an accumulation of operating results from the Title IV-D Fund as well as funds received from the U.S. Department of Justice equitable sharing program. As of December 31, 2014 and 2013 the restricted net position was \$140,575 and \$63,571, respectively.

The remaining unrestricted net position (deficit) as of December 31, 2014 and 2013 is \$(1,959,529) and \$(1,173,708), respectively. The unrestricted net position (deficit) is an accumulation of prior years' operating results. This balance is directly affected each year by the District Attorney's operating results.

CHANGES IN NET POSITION

	2014	2013
Changes In Net Position:		
Program Revenue		
Fees, Fines & Charges for Services	\$ 1,180,912	\$ 1,336,047
Operating Grants & Contributions	<u>12,809,150</u>	<u>12,764,955</u>
Total Program Revenue	<u>13,990,062</u>	<u>14,101,002</u>
General Revenues		
Interest & Miscellaneous Income	64,153	66,232
Non-Operating Revenues		
Insurance Recovery on Capital Assets	<u>4,035</u>	<u>-</u>
Total Revenues	14,058,250	14,167,234
Expenses		
General Governmental	<u>14,812,366</u>	<u>14,619,072</u>
Change in Net Position	(754,116)	(451,838)
Net Position (Deficit) January 1,	<u>(887,756)</u>	<u>(435,918)</u>
Net Position (Deficit) December 31,	<u>(1,641,872)</u>	<u>(887,756)</u>

ORIGINAL VS. REVISED BUDGET

As required by state law, the District Attorney adopts the original budget for the office prior to the commencement of the fiscal year to which the budget applies. The budget is reviewed and amended, if necessary, on a quarterly basis.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

REVENUE BUDGET

In 2014, the District Attorney actual general fund revenues of \$11,743,875 were less than the \$11,808,953 budget by \$65,078, a variance of approximately 0.6%. In 2014 the DA's Office actual Title IV-D Fund revenues of \$2,314,375 were less than the budget amount of \$2,403,912 by \$89,537, a variance of approximately 4%.

In 2013, the District Attorney actual general fund revenues of \$11,909,785 were less than the \$11,945,279 budget by \$35,494, a variance of approximately 0.3%. In 2013, the DA's Office actual Title IV-D Fund revenues of \$2,257,449 were less than the budget amount of \$2,403,912 by \$146,463, a variance of approximately 6%.

EXPENDITURE BUDGET

In 2014, the District Attorney's actual general fund expenditures of \$12,446,718 were less than the \$12,531,251 budget by \$84,533, a variance of approximately 0.7%. In 2014 the DA's Office actual Title IV-D Fund expenditures of \$2,319,215 were less than the budget amount of \$2,403,912 by \$84,697, a variance of approximately 4%.

In 2013, the District Attorney's actual general fund expenditures of \$12,316,548 were less than the \$12,405,669 budget by \$89,121, a variance of approximately 0.7%. In 2013 the DA's Office actual Title IV-D Fund expenditures of \$2,265,145 were less than the budget amount of \$2,403,912 by \$138,767, a variance of approximately 6%.

CAPITAL ASSETS

The District Attorney's investment in capital assets, net of accumulated depreciation as of December 31, 2014 and 2013, was \$177,082 and \$222,381, respectively. Depreciation expense for 2014 and 2013 is \$68,411 and \$67,090, respectively. See footnotes to the financial statements for additional information about changes in capital assets during the current year. The following table provides a summary of capital asset activity:

	2014	2013
Furniture and equipment	\$ 802,595	\$ 799,329
Less: accumulated depreciation	625,513	576,948
Net capital assets	\$ 177,082	\$ 222,381

NOTES PAYABLE

As a result of prior litigation, the District Attorney was required to obtain funds from the State of Louisiana. Details to the agreements with the State are outlined in the footnotes.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operations of the DA's Office are highly reliant upon appropriations from the City of New Orleans and from the State of Louisiana. Due to the heavy reliance of funding from other agencies, the DA's Office could be effected by a downturn in the economy and a decline in funding from the state and local government.

As noted above the budget is reviewed and amended on a quarterly basis.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney's finances, comply with finance-related laws and regulations, and demonstrate the District Attorney's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Val Solino, Chief Operating Officer, District Attorney of the Orleans Judicial District, located at 619 S. White Street, New Orleans, LA 70119.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
STATEMENTS OF NET POSITION
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 443,331	\$ 1,048,457
Accrued Receivables	377,467	346,963
Capital Assets, Net	<u>177,082</u>	<u>222,381</u>
Total Assets	<u>\$ 997,880</u>	<u>\$ 1,617,801</u>
LIABILITIES		
Bank Overdrafts	\$ -	\$ 64,862
Accounts Payable	105,806	53,959
Payroll Liability	190,048	9,442
Current Portion of Notes Payable	130,000	130,000
Accrued Compensated Absences	706,305	709,701
Note Payable - Legal	7,593	37,593
Note Payable - State of Louisiana	<u>1,500,000</u>	<u>1,500,000</u>
Total Liabilities	<u>2,639,752</u>	<u>2,505,557</u>
NET POSITION		
Invested in Capital Assets	177,082	222,381
Restricted	140,575	63,571
Unrestricted (Deficit)	<u>(1,959,529)</u>	<u>(1,173,708)</u>
Total Net Position (Deficit)	<u>\$ (1,641,872)</u>	<u>\$ (887,756)</u>

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

Activities	2014				2013			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Net Revenue and Changes in Net Position	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Net Revenue and Changes in Net Position
Governmental Activities:								
General - Governmental	\$14,812,366	\$ 1,180,912	\$ 12,809,150	\$ (822,304)	\$14,619,072	\$ 1,336,047	\$ 12,764,955	\$ (518,070)
Total	<u>14,812,366</u>	<u>1,180,912</u>	<u>12,809,150</u>	<u>(822,304)</u>	<u>14,619,072</u>	<u>1,336,047</u>	<u>12,764,955</u>	<u>(518,070)</u>
General Revenues:								
Interest and Miscellaneous Income				<u>64,153</u>				<u>66,232</u>
Total General Revenues				<u>64,153</u>				<u>66,232</u>
Operating Income (Loss)				(758,151)				(451,838)
Non-Operating Revenues								
Insurance Recovery on Capital Assets				<u>4,035</u>				<u>-</u>
Non-Operating Revenues				<u>4,035</u>				<u>-</u>
Changes in Net Position				(754,116)				(451,838)
Net Position (deficit) - January 1,				<u>(887,756)</u>				<u>(435,918)</u>
Net Position (deficit) - December 31,				<u>\$ (1,641,872)</u>				<u>\$ (887,756)</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
GOVERNMENTAL FUND
BALANCE SHEETS
DECEMBER 31, 2014 AND 2013**

	2014			2013		
	General Fund	Title IV-D Fund	Total Governmental Funds	General Fund	Title IV-D Fund	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 398,463	\$ 44,868	\$ 443,331	\$ 1,048,457	\$ -	\$ 1,048,457
Accrued Receivables	175,380	202,087	377,467	147,468	199,495	346,963
Total Assets	<u>\$ 573,843</u>	<u>\$ 246,955</u>	<u>\$ 820,798</u>	<u>\$ 1,195,925</u>	<u>\$ 199,495</u>	<u>\$ 1,395,420</u>
LIABILITIES AND FUND BALANCE						
Liabilities						
Bank Overdrafts	\$ -	\$ -	\$ -	\$ -	\$ 64,862	\$ 64,862
Accounts Payable	90,560	15,246	105,806	53,959	-	53,959
Payroll Liability	83,110	106,938	190,048	4,421	5,021	9,442
Current Portion of Notes Payable	130,000	-	130,000	130,000	-	130,000
Note Payable - Attorney	7,593	-	7,593	37,593	-	37,593
Note Payable - State of Louisiana	1,500,000	-	1,500,000	1,500,000	-	1,500,000
Total Liabilities	<u>1,811,263</u>	<u>122,184</u>	<u>1,933,447</u>	<u>1,725,973</u>	<u>69,883</u>	<u>1,795,856</u>
Fund Balance						
Restricted	82,978	124,771	207,749	-	129,612	129,612
Unassigned (Deficit)	(1,320,398)	-	(1,320,398)	(530,048)	-	(530,048)
Total Fund Balance	<u>(1,237,420)</u>	<u>124,771</u>	<u>(1,112,649)</u>	<u>(530,048)</u>	<u>129,612</u>	<u>(400,436)</u>
Total Liabilities and Fund Balance	<u>\$ 573,843</u>	<u>\$ 246,955</u>	<u>\$ 820,798</u>	<u>\$ 1,195,925</u>	<u>\$ 199,495</u>	<u>\$ 1,395,420</u>

The notes to the financial statements are an integral part of this statement.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Total Fund Balance (Deficit) - governmental fund at December 31,	\$ (1,112,649)	\$ (400,436)
Amounts reported for governmental activities in the statement of net position are different because of:		
Compensated Absences	(706,305)	(709,701)
Cost of capital assets at December 31,	802,595	799,329
Less: Accumulated depreciation as of December 31,	<u>(625,513)</u>	<u>(576,948)</u>
Net Position (Deficit) - governmental activities at December 31,	<u>\$ (1,641,872)</u>	<u>\$ (887,756)</u>

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
GOVERNMENTAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	2014			2013		
	General Fund	Title IV-D Fund	Total Governmental Funds	General Fund	Title IV-D Fund	Total Governmental Funds
REVENUES						
On-Behalf Payments	\$ 3,750,730	\$ -	\$ 3,750,730	\$ 3,740,335	\$ -	\$ 3,740,335
City Appropriations	6,271,671	-	6,271,671	6,271,671	-	6,271,671
Grants and Contributions	472,424	2,314,325	2,786,749	499,732	2,253,217	2,752,949
Fees, Fines and Charges for Services	1,180,912	-	1,180,912	1,336,047	-	1,336,047
Miscellaneous Income	63,654	50	63,704	61,236	4,232	65,468
Interest	449	-	449	764	-	764
Total Revenues	<u>11,739,840</u>	<u>2,314,375</u>	<u>14,054,215</u>	<u>11,909,785</u>	<u>2,257,449</u>	<u>14,167,234</u>
EXPENDITURES						
Salaries and Fringe Benefits	10,968,832	1,787,069	12,755,901	10,700,202	1,733,971	12,434,173
Operating Services	1,319,959	511,646	1,831,605	1,405,693	514,672	1,920,365
Professional Fees	139,345	20,500	159,845	116,710	9,600	126,310
Capital Outlay	23,112	-	23,112	29,711	-	29,711
Total Expenditures	<u>12,451,248</u>	<u>2,319,215</u>	<u>14,770,463</u>	<u>12,252,316</u>	<u>2,258,243</u>	<u>14,510,559</u>
Operating Income (Loss)	(711,408)	(4,840)	(716,248)	(342,531)	(794)	(343,325)
Non-Operating Revenues						
Insurance Recovery on Capital Assets	<u>4,035</u>	<u>-</u>	<u>4,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(707,373)	(4,840)	(712,213)	(342,531)	(794)	(343,325)
Fund Balances (deficit) - January 1,			<u>(400,436)</u>			<u>(57,111)</u>
Fund Balances (deficit)- December 31,			<u>\$ (1,112,649)</u>			<u>\$ (400,436)</u>

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Net Change in Fund Balance - Governmental Fund (Statement E)	\$ (712,213)	\$ (343,325)
Amounts Reported for governmental activities in the Statement of Activities are different because:		
The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	3,396	(71,134)
Capital outlays are reported in governmental funds as expenditures; however, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period:		
Depreciation expense	(68,411)	(67,090)
Capital outlays	23,112	29,711
Change in net position of governmental activities (Statement B)	<u>\$ (754,116)</u>	<u>\$ (451,838)</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS
AGENCY FUND

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
STATEMENTS OF FIDUCIARY NET POSITION - AGENCY FUND
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 762,074	\$ 516,364
TOTAL ASSETS	<u>\$ 762,074</u>	<u>\$ 516,364</u>
LIABILITIES		
Bonds Forfeitures	\$ 74,026	\$ 132,254
Seizures	665,332	363,285
ECU Collectors	18,716	20,825
Restitution	<u>4,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 762,074</u>	<u>\$ 516,364</u>

The notes to the financial statements are an integral part of this statement.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Balance, January 1,	\$ 516,364	\$ 747,966
Additions:		
Forfeitures	560,720	270,519
Seizures	334,827	802,073
ECU Collectors	13,403	126,671
Restitution	<u>11,500</u>	<u>10,500</u>
Total Additions	920,450	1,209,763
Reductions	<u>674,740</u>	<u>1,441,365</u>
Balance, December 31,	<u>\$ 762,074</u>	<u>\$ 516,364</u>

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Orleans Judicial District (District Attorney) has charge of every criminal prosecution by the State in his or her 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. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Orleans Judicial District encompasses the entire Parish of Orleans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

For financial reporting purposes, the District Attorney includes all funds, activities, etc., that are controlled by the District Attorney as an independently elected parish official. There are no component units included or required to be included as part of the financial reporting entity. The District Attorney is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursements of funds. Other than certain operating expenditures of the District Attorney that are paid or provided by the City Council as required by Louisiana law, the District Attorney is financially independent. Accordingly, the District Attorney is a separate governmental reporting entity. Certain units of the local government, over which the District Attorney exercises no oversight responsibility; such as, the City Council, Parish School Board, or other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Attorney.

Basis of Presentation

The accompanying basic financial statements of the District Attorney have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Government-wide and Fund Financial Statements

The District Attorney's basic financial statements include both government-wide (reporting the District Attorney as a whole) and fund financial statements (reporting the District Attorney's major funds). All of the District Attorney's judicial and administrative services are classified as governmental activities.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the government-wide Statements of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District Attorney's net position is reported in three parts - invested in capital assets, net of related debt; restricted for Title IV-D Fund, and unrestricted net position.

The government-wide Statements of Activities reports both the gross and net cost of each of the District Attorney's functions and activities (judicial). These functions are also supported by general government revenues (interest earned). The Statements of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities

Basic Financial Statements - Fund Financial Statements

The District Attorney uses funds to maintain his 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. The funds of the District Attorney are classified into two categories: governmental and fiduciary. The funds of the District Attorney are described below:

A. Governmental

General Fund - The General Fund of the District Attorney is used to account for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended in accordance with state and federal laws and according to District Attorney policy.

B. Special Revenue Funds

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, or designated by the District Attorney to be accounted for separately. The Special Revenue Funds of the District Attorney consist of the following:

Title IV-D Fund - consists of reimbursement grants from the Louisiana Department of Children and Family 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 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.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fiduciary

Fiduciary fund reporting focuses on net position and changes in net position. The funds accounted for in this category by the District Attorney are the Asset Forfeiture Agency Funds, Bond Forfeiture Agency Funds, and ECU Collections Agency Funds.

Asset Forfeiture Agency Funds

The Asset Forfeiture Agency Funds are used to account for assets seized in narcotics cases in which the District Attorney has received the seized assets, pending the final disposition of the case. The assets may ultimately be returned to the defendant from whom they were seized, transferred to another agency, or divided among the District Attorney, the Parish of Orleans as custodian of judicial funds, and the seizing agency. In the latter instance, the District Attorney is responsible for allocating the assets to the respective agencies net of the expenses incurred in handling the assets.

Bond Forfeiture Agency Funds

The Bond Forfeiture Agency Funds are funds that are collected as a result of individuals failing to show up to court after a bond has been posted on their behalf. If the individuals do not follow the required legal proceedings after the bonds have been issued, the District Attorney can then demand the Bail Bondsman to pay the proceeds of the bond. Once the District Attorney receives the funds, they are required to hold the money for a period of at least 6 months. If at this time the defendant has not shown up to court, the District Attorney is to forward the funds to the O.P. Criminal Sheriff's Office. The O.P. Criminal Sheriff's Office is responsible for allocating the assets to the respective agencies net of the expenses incurred in handling the assets.

ECU Collectors Agency Funds

The ECU Collectors Agency Funds are funds that are collected as a result of worthless checks. The District Attorney pursues the party who issued the worthless check in an effort to collect the funds. Once these funds are collected, the District Attorney allocates appropriate proceeds to the original payee indicated on the worthless check.

Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statements of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenue available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from charges for services are recorded when earned. Expenditure-driven grants are recorded when the reimbursable expenditure has been incurred. Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

Deferred revenues arise when resources are received by the District Attorney before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the District Attorney has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Financial Statements (GWFS)

The Statements of Net Position and the Statement of Activities display information about the District Attorney as a whole. These statements included all the financial activities of the District Attorney. Information contained in these columns reflects 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, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for non-exchange Transactions*.

Program Revenues – Program revenues included in the Statements of Activities are derived directly from the District Attorney users as a fee for services; program revenues reduce the cost of the function to be financed from the District Attorney's general revenues.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The District Attorney does not currently have any investments.

Budgets

The proposed budget, which is prepared on the modified accrual basis of accounting, must be approved by the City Council of the City of New Orleans. The budget is legally adopted and amended, as necessary, by the District Attorney. All appropriations lapse at year-end. The amounts budgeted represent cash transactions, which are processed by the City of New Orleans, and are not included in the accompanying financial statements. For the general fund, the District Attorney has established a budget for service fees, court allocation-fines and costs revenues, state reimbursements, interest, evidence revenues and grant revenues. Budget amounts included in the accompanying budgetary comparison schedule included the original adopted budget.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful life:

<u>Description</u>	<u>Estimated Life</u>
Building	40 years
Vehicles	5 years
Furniture and fixtures	10 years
Computer equipment	5 years

Fund Balance / Net Position

Fund Balance

In 2011, the District Attorney implemented the requirements of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this statement, in the fund financial statements, fund balances of the governmental fund types are now categorized into one of five categories - Nonspendable, Restricted, Committed, Assigned or Unassigned.

While the District Attorney has not established a policy for its use of unassigned fund balance, it does consider a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unassigned fund balance classifications could be used.

Net Position

The District Attorney's net position is classified and displayed in three categories:

1. Invested in capital assets, (net) consists of capital assets net of accumulated depreciation and net of capital related debt.
2. Restricted net position consists of net position with constraints placed on the use by law through constitutional provisions or enabling legislation.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Unrestricted net position are all other net positions that do not meet the definition of "restricted" or "invested in capital assets." This classification represents net positions that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change. At December 31, 2014 and 2013, the governmental fund's restricted fund balance amounted to \$207,749 and \$129,612, respectively.

Estimates

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

2. CASH AND EQUIVALENTS

The District Attorney maintains their cash in demand deposit accounts at various local banks. The District Attorney maintained cash balances in excess of the FDIC Insurance by \$567,567 and \$954,850 as of December 31, 2014 and 2013, respectively

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 day of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the DA Office's name.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity is to its fair value to changes in market interest rates. The DA's Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

2. CASH AND CASH EQUIVALENTS (continued)

As of December 31, 2014 the total bank balance including fiduciary funds of \$1,317,567 was secured from risk by \$750,000 of FDIC coverage and by a pledge of securities owned by the fiscal agent bank in the amount of \$567,567. As of December 31, 2013 the total bank balance including fiduciary funds of \$1,704,850 was secured by \$750,000 of FDIC coverage and a pledge of securities owned by the fiscal agent bank in the amount of \$954,850.

At December 31, 2014 and 2013, the District Attorney has cash and cash equivalents (book balances) totaling \$1,205,405 and \$1,564,821, respectively, as follows:

	2014	2013
Cash and Cash Equivalents (book balances)	\$ 1,205,405	\$ 1,564,821
Less: Agency Funds	762,074	516,364
Cash and Cash Equivalents (Statements of Net Position)	\$ 443,331	\$ 1,048,457

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
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3. CAPITAL ASSETS

Depreciation expense during 2014 and 2013 was \$68,411 and \$67,090, respectively. Capital assets and depreciation activity as of and for the year ended December 31, 2014, are as follows:

<u>Government Activities</u>	Balance			Deletions	Balance	
	January 1, 2014	Additions			December 31, 2014	
Computer Equipment	\$ 443,533	\$ 23,112	\$ -	\$ -	\$ 466,645	
Vehicles	283,942	-	(19,846)		264,096	
Furniture, fixtures and equipment	71,854	-	-		71,854	
Total	<u>799,329</u>	<u>23,112</u>	<u>(19,846)</u>		<u>802,595</u>	
Less accumulated depreciation:						
Computer Equipment	292,153	47,404	-		339,557	
Vehicles	208,503	9,932	19,846		198,589	
Furniture, fixtures and equipment	76,292	11,075	-		\$ 87,367	
	<u>576,948</u>	<u>68,411</u>	<u>19,846</u>		<u>625,513</u>	
Capital assets, net	<u>\$ 222,381</u>				<u>\$ 177,082</u>	

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

<u>Government Activities</u>	Balance			Deletions	Balance	
	January 1, 2013	Additions			December 31, 2013	
Computer Equipment	\$ 433,234	\$ 10,299	\$ -	\$ -	\$ 443,533	
Vehicles	265,355	18,587	-		283,942	
Furniture, fixtures and equipment	71,029	825	-		71,854	
Total	<u>769,618</u>	<u>29,711</u>	<u>-</u>		<u>799,329</u>	
Less accumulated depreciation:						
Computer Equipment	247,440	44,713	-		292,153	
Vehicles	198,784	9,719	-		208,503	
Furniture, fixtures and equipment	63,634	12,658	\$ -		\$ 76,292	
	<u>509,858</u>	<u>67,090</u>	<u>-</u>		<u>576,948</u>	
Capital assets, net	<u>\$ 259,760</u>				<u>\$ 222,381</u>	

4. COMPENSATED ABSENCES

At December 31, 2014 and 2013, employees of the District Attorney had accumulated and vested \$706,304 and \$709,701, respectively, of employee leave benefits, which was computed in accordance with the provision of GASB No. 16, *Accounting for Compensated Absences*. Increase and decreases in compensated absences for the years 2014 and 2013 are as follows:

	2014	2013
Compensated Absences, beginning of year	\$ 709,701	\$ 638,567
Increases (decreases)	(3,396)	71,134
Compensated Absences, end of year	<u>\$ 706,305</u>	<u>\$ 709,701</u>

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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5. PENSION PLAN

District Attorney's Clerical and Administrative Employees Retirement Plan and Trust

The District Attorney established a Clerical and Administrative Retirement Plan and Trust (the Clerical and Administrative Plan) on January 1, 1982, and the IRS made a favorable determination in a letter dated June 10, 1982 based on Section 1.401-l(b)(3) of the Income Tax Regulations. Voluntary contributions up to 3% to 5.5% of annual salaries are allowed. The maximum contribution an employee can make is 8%. No office match is made on the voluntary contributions. The Clerical and Administrative Plan is no longer available for employees to enroll in after 2003; however, employees that were already enrolled prior to termination of the plan may continue to contribute.

The District Attorney and the Assistant District Attorneys are members of the Louisiana District Attorney's Retirement System (DARS). The Louisiana District Attorney's Retirement System (the Plan) is multiple-employer, defined benefit pension plan that is administered and controlled by a board of trustees. It provides retirement, disability and death benefits to plan members and beneficiaries. The Louisiana District Attorney's Retirement System issues a publicly available financial report that includes statements and required supplementary information. The employer's portion is 100% vested after ten years of service. Other than the annual contributions made to the system, and recorded as expenditures, the District Attorney does not guarantee any of the benefits granted by DARS.

Plan members are required to contribute 8% in 2014 and 8% in 2013. The District Attorney was required to contribute 10.25% for the period from July 1, 2012 through June 30, 2013, 9.75% from July 01, 2013 through June 30, 2014, and 7% from July 1, 2014 through June 30, 2015. Contributions were as follows during 2014 and 2013:

	2014	2013
Employee	\$ 182,248	\$ 172,015
Employer	\$ 191,621	\$ 214,824

The contribution requirements of plan members, and the District Attorney's Office is established by the Plan's Board of Trustees. The Plan also receives revenue sharing as appropriated by the legislature and Ad Valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of .2% of the Ad Valorem taxes shown to be collected.

Member contributions to the Plan are based on their total salary from all sources - salary paid by the State of Louisiana, paid by the parish(es), or any other governing body of a parish or political subdivision of the State of Louisiana, etc.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
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5. PENSION PLAN (continued)

In 1990, substantial changes were made to the DARS. The changes to survivors' benefits are effective for everyone. Other changes are effective by election to be under the new provisions as amended by R.S. 16:1042.1.

Employees can retire providing they meet one of the following criteria:

Retirement Provisions Under R.S. 16:1042.1

- (1) Accrual Rate 3.5% per year of service
- (2) Normal Retirement 30 years of service regardless of age
 24 years of service and age 55
 10 years of service and age 60
- (3) Early Retirement 18 years of service and age 55 with benefits reduced 3% for
 each year received in advance of normal retirement age.

Disability Benefits

Disability benefits are awarded to active contributing members with at least ten years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives benefits equal to 3.5% of his final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Survivor Benefits

Upon the death of a member with less than five years of creditable service, the member's accumulated contributions and interest thereon are paid to the member's spouse or designated beneficiary. Upon the death of any active, contributing member with more than five years of service or any member with twenty-three years of service who is not retired, reduced benefits are payable to the surviving spouse or designated beneficiary. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest retirement age. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

5. PENSION PLAN (continued)

City of New Orleans Employees' Retirement System

During 1997, clerical and administrative employees of the District Attorney, who were not already receiving benefits from any of the other retirement plans sponsored by the City of New Orleans, became members of the Employees' Retirement System of the City of New Orleans (the Retirement System). The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of a board of trustees. The Retirement System is a combination Defined Benefit and Defined Contribution Pension plan established under the laws of the State of Louisiana. The general administration has the responsibility for the proper operation of the Retirement System and for making effective the Retirement System. The Employees' Retirement System of the City of New Orleans issues a publicly available financial report that includes financial statements and required supplementary information.

For the fiscal years 2014 and 2013, employees participating in the Retirement System are required to contribute 6% of their salary and the employer is required to contribute 21.778% and 20.108%, respectively. Employer contributions to the Retirement System are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years beginning July 1, 1974, using the level percentage of payroll method. The contribution requirements of Retirement System members and the District Attorney are established and may be amended by the Retirement System's board of trustees. Contributions were as follows during 2014 and 2013:

	2014	2013
Employee	\$ 281,084	\$ 275,758
Employer	\$ 1,018,419	\$ 922,524

Employees with thirty years of service, or who attain age 60 with ten years of service, or age 65, irrespective of length of service, are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employee's accumulated contribution, plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2.5% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age 62. Average compensation is defined as average annual earned compensation for the highest thirty-six successive months of service, less \$1,200.

Disability Benefits

Disability benefits are awarded to active members with 10 or more years of creditable service if a physician nominated by the board certifies that the member is totally incapacitated and that such incapability is likely to be permanent. The member receives an annuity, which is the actuarial equivalent to the employee's accumulated contribution, plus an annual pension, which, together with the annuity, shall be 75% of the service allowance that would have been payable upon service retirement at age 65, had the member continued in service to the age of 65. Such allowance is to be computed on the average compensation, plus the sum of \$1,200 provided, however, that the minimum annual retirement allowance will be \$300 per year.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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6. NOTES PAYABLE

On June 27, 2005 the District Attorney received an adverse judgment awarding a total of \$3,300,000 to their previous employees. The District Attorney received a stay until the Judgment continued through the Appeals process. As of October 1, 2007 the District Attorney reached a settlement agreement with the plaintiffs and agreed to pay a sum of \$3,300,000. As a result of the agreement, the District Attorney received proceeds from the State of Louisiana for \$1,600,000 in order to pay a portion of the judgment to the plaintiffs. Per the agreement with the State of Louisiana, the District Attorney agreed to pay \$100,000 for 16 years; however, the initial payment continues to be deferred on an annual basis. As of December 31, 2014 and 2013, the note payable to the State of Louisiana was \$1,600,000 and \$1,600,000, respectively.

In addition, the District Attorney settled an outstanding liability related to the previously mentioned lawsuit. Per the agreement, the District Attorney has agreed pay \$2,500 at the beginning of each month. Per the settlement agreement, the outstanding portion of this balance will be a long-term liability except for the portion due within the next 12 months. As of December 31, 2014 and 2013, the amount due was \$37,593 and \$67,593, respectively.

7. LEASES

The District Attorney is committed under various leases for equipment, research, cleaning, and office space. Many of these leases are on a month-to-month basis and can be cancelled by either party at any time. All of these leases are considered, for accounting purposes, to be operating leases. The lease payments for 2014 and 2013 were \$156,272 and \$161,910, respectively. Future minimum lease payments for the leases are as follows:

2015		\$	206,786
2016			2,377
2017			-
2018			-
2019			-
Thereafter			-
	Total		<u>\$ 209,163</u>

8. LITIGATION AND CLAIMS

The District Attorney is a defendant in various lawsuits filed for unspecified damages. Outside counsel for the District Attorney continues to defend these lawsuits in an attempt to obtain the most favorable outcome. In the opinion of the DA's legal counsel, the outcome of these lawsuits is not presently determinable.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

9. ON-BEHALF PAYMENTS

The State of Louisiana provides direct payments of salaries to assistant district attorneys, as designated by the District Attorney. These payments referred to as "state warrants" provide these assistant district attorneys with their base salary. If the District Attorney wishes to pay their assistant district attorneys a salary greater than the amount of the state warrant (currently \$45,000 per year), the additional amount is paid out of the District Attorney's Payroll Fund.

In accordance with GASB No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the amount of state warrants paid directly to Assistant District Attorneys, as well as the related benefits, should be recognized by the District Attorney as expenditures. During 2014 and 2013, the District Attorney has recognized \$3,750,730 and \$3,740,335, respectively, from the State for On-Behalf Payments.

10. CITY APPROPRIATIONS

In accordance with GASB No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the District Attorney has recognized \$6,271,671 and \$6,271,671 during 2014 and 2013, respectively, for appropriations from the City of New Orleans.

11. GRANTS AND COOPERATIVE ENDEAVOR AGREEMENT

All grants received by the District Attorney are received on a reimbursable basis. As a result, income associated with the specific grants is not recognized until the expenditures have occurred. At that point, request is submitted to the appropriate agency in order to request the necessary funds. In some instances, an advance is requested on the grant income in order to obtain the necessary purchases. During 2014 and 2013, the District Attorney requested reimbursements from the Louisiana Commission on Law Enforcement, Office of Children and Family Services, District Attorneys & Assistant, the Office of Homeland Security and Emergency Preparedness, the Gulf Coast HIDTA program, and the Multi-Agency Gang Unit Cooperative Endeavor Agreement totaling \$2,836,749 and \$2,802,949, respectively. Of these amounts, \$2,786,749 and \$2,752,949 is included in Grants and Contributions on the statements of revenues, expenditures and changes in fund balances during 2014 and 2013, respectively; and during the same years, \$50,000 and \$50,000, respectively, is included in Miscellaneous Income on the statements of revenues, expenditures and changes in fund balances. As of December 2014 and 2013, grants receivable amounted to \$254,136 and \$242,492, respectively, and is included in Accrued Receivables on the balance sheets.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

12. DEFICIT REDUCTION PLAN

For the years ended December 31, 2014 and 2013, the District Attorney increased the deficit by \$707,373 and \$342,531, respectively. Management plans to reduce the deficit by continuing to review and monitor expenditures as well as apply for all possible grants available and increase requests for funding through the City of New Orleans budget process.

13. SUBSEQUENT EVENTS

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of District Attorney of the Orleans Judicial District through June 30, 2015, the date the financial statements were issued, and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND & TITLE IV-D FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>GENERAL FUND</u>	Budget	Actual GAAP BASIS	Variance With Final Budget Positive (Negative)
Total Salaries and Related Expenses	\$ 10,967,771	\$ 10,964,302	\$ 3,469
Total Operating Expenditures	1,563,480	1,459,304	104,176
Other Expenditures	<u>-</u>	<u>23,112</u>	<u>(23,112)</u>
Total Expenditures	<u>\$ 12,531,251</u>	<u>\$ 12,446,718</u>	<u>\$ 84,533</u>
Revenues	<u>\$ 11,808,953</u>	<u>\$ 11,743,875</u>	<u>\$ (65,078)</u>
Total Revenues	<u>\$ 11,808,953</u>	<u>\$ 11,743,875</u>	<u>\$ (65,078)</u>
<u>TITLE IV-D FUND</u>	Budget	Actual GAAP BASIS	Variance With Final Budget Positive (Negative)
Total Salaries and Related Expenses	\$ 1,852,982	\$ 1,787,069	\$ 65,913
Total Operating Expenditures	550,930	532,146	18,784
Other Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 2,403,912</u>	<u>\$ 2,319,215</u>	<u>\$ 84,697</u>
Revenues	<u>\$ 2,403,912</u>	<u>\$ 2,314,375</u>	<u>\$ (89,537)</u>
Total Revenues	<u>\$ 2,403,912</u>	<u>\$ 2,314,375</u>	<u>\$ (89,537)</u>

The notes to the financial statements are an integral part of this statement.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Agency Head:
Leon Cannizzaro, District Attorney of the Orleans Judicial District**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 150,000
Benefits - Insurance	\$ -
Benefits - Retirement	\$ 12,563
Benefits - Other	\$ 2,190
Car Allowance	\$ -
Vehicle Provided by Government	\$ 1,027
Per Diem	\$ -
Reimbursements	\$ 211
Travel	\$ -
Registration Fees	\$ 1,140
Conference Travel	\$ 648
Continuing Professional Education Fees	\$ 411
Housing	\$ -
Unvouchered Expenses	\$ -
Special Meals	\$ -
	\$ -

The notes to the financial statements are an integral part of this statement.

SINGLE AUDIT SECTION

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants
Management Consultants

INDEPENDENT AUDITOR'S 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

District Attorney of the Orleans Judicial District - Orleans Parish
619 S. White St.
New Orleans, Louisiana 70119

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, each major fund, and the aggregate remaining fund information of the District Attorney of the Orleans Judicial District (District Attorney) as of and for the year ended December 31, 2014, 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 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
June 30, 2015

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

SECTION I –SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- A. The auditor's report expresses an unmodified opinion on the financial statements of the District Attorney of the Orleans Judicial District.
- B. No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements.
- C. No instances of noncompliance material to the financial statements of the District Attorney of the Orleans Judicial District were disclosed during the audit.

Federal Awards

- D. No material weaknesses or significant deficiencies in internal control over major federal award programs were disclosed during the audit.
- E. The auditor's report on compliance for the major federal award programs for District Attorney of the Orleans Judicial District expresses an unmodified opinion on all major federal programs.
- F. Audit findings which are required to be reported in accordance with section 510(a) of OMB Circular A-133 are reported in this Schedule.
- G. The programs tested as major programs were:

Title	CFDA Number
Child Support Enforcement (Title IV-D)	93.563

- H. The threshold for distinguishing Type A and Type B programs was \$300,000.
- I. The District Attorney of the Orleans Judicial District was determined to be a low-risk auditee.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

None

SECTION III – MAJOR FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

Department of Health and Human Services

Passed through the State of Louisiana Department of Children and Family Services

2014-001 Child Support Enforcement (Title IV-D)

CFDA No. 95-563; Grant No. 1304LA4004; Grant Period 2013-2016

Statement of Condition: Grant reimbursement for certain costs was requested prior to costs being paid.

Criteria: The grant agreement is a cost reimbursement grant which requires the grantee to pay allowed costs prior to requesting reimbursement for those costs.

Cause: The Child Support Enforcement Division of the District Attorney's office does not have adequate funds to pay all of the costs for which reimbursement is being requested, as this grant is their sole source of funding. Additionally, the length of time between request for reimbursement and the receipt of funds was excessive. The District Attorney's office informed us that the timing of reimbursement has improved since 2014.

Effect or Potential Effect: As this is a violation of the grant agreement with the Department of Child and Family Services, it could result in termination of the agreement if the problem is not resolved.

Questioned Costs: A sample of three reimbursement requests totaling \$293,238 was selected for audit from a population of 24 reimbursement requests totaling \$2,314,325. The test found that costs totaling \$105,805 had not been paid prior to the reimbursement request being made.

Recommendations: We recommend that the District Attorney of the Orleans Judicial District discuss options with the grantor and consider cutting back on expenses.

View of Responsible Officials: The District Attorney for the Orleans Judicial District recognizes that holding checks pending payment of invoices by DCFS is not a best practice. Effective immediately, June 19, 2015, the accountant at our Child Support Enforcement Division has been instructed, verbally and in writing, to cease and discontinue this practice. From this point forward invoices will be timely paid and mailed, and checks will only be written when sufficient funds are present in the Child Support operating account to cover the check. Additionally, the Orleans District Attorney will raise the issue of contingency, or reserve funds, with the DCFS during the next contract negotiations. We will also work with our primary funding source-the

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

City of New Orleans, to have sufficient funds allocated to the District Attorney which would allow temporary funding of our Child Support Enforcement Division operations pending a DCFS reimbursement. During the interim the Chief Operating Officer and Lead Accountant for the Orleans District Attorney will independently monitor the operating account of the Child Support Enforcement Division to ensure appropriate funds are available. When necessary, operating funds of the Orleans District Attorney will be used to temporarily supplement Child Support Division funds pending receipt of reimbursements from DCFS.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

FINANCIAL STATEMENT FINDINGS:

None

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Federal Grantor Pass-through Grantor	CFDA Number	Program Title	Project Number	Grant Period	Current Year Expenditures	Prior Year Expenditures
<u>U.S. Department of Justice</u>						
<u>Office of Justice Program</u>						
Passed through - State of Louisiana Commission on Law Enforcement and Administration of Criminal Justice						
	16.575	Victim Assistance Program	C10-09-013	02/01/12 - 01/31/13	\$ -	\$ 3,855
	16.575	Victim Assistance Program	C12-09-009	02/01/13 - 02/28/14	4,829	28,171
	16.575	Victim Assistance Program	2013-VA-02-1573	03/01/14 - 12/31/2014	29,550	-
	16.523	Records Management	A-10-8-023	2/01/12 - 01/31/13	-	2,837
	16.523	Records Management	2011-JB-01-1094	2/01/13 - 01/31/14	2,279	19,601
	16.523	Records Management	2012-JB-01-1675	2/01/14 - 03/31/15	9,976	-
	16.523	Juvenile Diversion	2011-JB-01-1124	6/01/13 - 5/31/14	10,663	11,217
	16.523	Juvenile Diversion	2012-JB-01-1651	6/01/14 - 3/31/15	8,769	-
Violence Against Women Formula Grant						
	16.588	Domestic Violence Program	M11-9-002	02/01/12 - 01/31/13	-	11,757
	16.588	Domestic Violence Program	M12-9-002	02/01/13 - 01/31/14	9,635	78,212
	16.588	Domestic Violence Program	2013-WF-02-1823	02/01/14 - 12/31/14	81,786	-
	16.590	Domestic Violence On Call	2010-WE-AX-0021	11/01/12 - 05/23/13	-	20,388
Juvenile Accountability Block Grants						
	16.738	Pretrial Intervention	B11-9-003	01/01/12 - 12/31/12	-	860
	16.738	Pretrial Intervention	B12-9-002	01/01/13 - 12/31/13	-	41,140
	16.738	Pretrial Intervention	2013-DJ-03-1399	01/01/14 - 12/31/14	42,000	-
	16.540	Diversion Program	J10-9-002	09/01/11 - 05/31/13	-	11,694
<u>U.S. Department of Health and Human Services</u>						
Passed through the Louisiana Department of Children and Family Services						
	93.563	Child Support Enforcement (Title IV-D)		07/01/12 - 06/30/13	-	1,137,041
	93.563	Child Support Enforcement (Title IV-D)		07/01/13 - 06/30/16	2,314,325	1,116,176
<u>Executive Office of the President</u>						
Passed through the Gulf Coast HIDTA Program						
	95.001	High Intensity Drug Trafficking Areas Program	G14GC0001A-51827	09/08/14 - 12/31/15	2,937	-
TOTAL FEDERAL & STATE EXPENDITURES					<u>\$ 2,516,749</u>	<u>\$ 2,482,949</u>

See accompanying notes to schedule of expenditures of federal awards.

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal grant activity for the District Attorney of the Orleans Judicial District under programs of the federal government for the years ended December 31, 2014 and 2013. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*, wherein certain types of expenditures are not allowable or are limited to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note C - Reconciliation of Federal Grant Expenditures to the Financial Statements

The following is a reconciliation of total federal grant expenditures to the grants and contributions revenue reported on page 18 of the financial statements:

Total Federal Expenditures	\$ 2,516,749
State Appropriation for Victims Assistant Coordinator	120,000
City Reimbursement for Multi-Agency Gang Unit Cooperative Endeavor Agreement	<u>150,000</u>
Total Grants and Contributions Revenue (page 18)	<u>\$ 2,786,749</u>

PAILET, MEUNIER and LeBLANC, L.L.P.

Certified Public Accountants

Management Consultants

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

District Attorney of the Orleans Judicial District - Orleans Parish
619 S. White St.
New Orleans, Louisiana 70119

Report on Compliance for Each Major Federal Program

We have audited the District Attorney of the Orleans Judicial District's (District Attorney) 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 each of the District Attorney's major federal programs for the year ended December 31, 2014. The District Attorney's major federal programs are identified in the summary of auditor's 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 the 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, 2014.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to these matters.

The District Attorney's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District Attorney's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Paillet, Meunier and LeBlanc, LLP

Metairie, Louisiana
June 30, 2015