DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT

Parishes of Iberville, Pointe Coupee, and West Baton Rouge, Louisiana

ANNUAL FINANCIAL REPORT
As of and For the Year Ended December 31, 2014

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Major, Morrison & David
Certified Public Accountants
QUALITY • INTEGRITY • DEPENDABILITY

John L. Morrison III, CPA, CGMA, PC
Mark A. David, CPA, PC
John S. Disotell III, CPA, PC

Van P. Major, CPA (1951-2005)

INDEPENDENT AUDITORS' REPORT

Honorable Richard J. Ward, Jr.
District Attorney, 18th Judicial District
Plaquemine, Louisiana 70765

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18th Judicial District for the Parishes of Iberville, Pointe Coupee and West Baton Rouge, State of Louisiana, a component unit of the Iberville and West Baton Rouge Parish Councils, and Pointe Coupee Parish Police Jury, 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18th Judicial District for the Parishes of Iberville, Pointe Coupee and West Baton Rouge, State of Louisiana, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–7 and 32–35 be presented to supplement the basic financial statements. Such information, including the health care information on page 36, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying supplemental information schedules and other information as listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The accompanying supplemental information schedules and other information as listed in the foregoing table of contents 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Major, Morrison & David

Major, Morrison & David
New Roads, Louisiana
May 28, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the District Attorney of the Eighteenth Judicial District (District Attorney) provides an overview and overall review of the District Attorney's financial activities for the fiscal year ended December 31, 2014. The intent of the MD&A is to look at the District Attorney's financial performance as a whole. It should, therefore, be read in conjunction with the District Attorney's financial statements found in the financial section starting on page 9, and the notes thereto. MD&A is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments* issued June 1999.

FINANCIAL HIGHLIGHTS

- The District Attorney's total net position decreased by $4,968 over the course of this year's operations.
- During the year, the District Attorney's expenses were $6,456 more than the $3,737,379 generated in charges for services and operating grants for governmental programs.
- The total cost of the District Attorney's programs was $3,743,835, a decrease of approximately $127,890 or 3.3 percent.
- The governmental activities reported a decrease (excluding general revenues) this year of $6,456.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements on pages 9 and 10 are government-wide financial statements that provide information about the activities of the District Attorney as a whole and present a longer-term view of the District Attorney's finances.
- The remaining statements starting on page 11 are fund financial statements that focus on individual parts of the District Attorney's government, reporting the District Attorney's operations in more detail than the government-wide statements.

  - The governmental fund statements tell how general government services, such as judicial services, were financed in the short term as well as what remains for future spending.
  - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide additional detailed data. The notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements as well as providing budgetary comparison data. The last section of the report contains additional supplemental information reporting on internal controls and any compliance findings. The rest of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the District Attorney as a whole using the accrual basis of accounting, which is similar to that which is used by private sector companies. The statement of net position on page 9 includes all of the District Attorney's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities on page 10, regardless of when cash is received or paid.

These two statements report the District Attorney's net position and changes in them. Net position – the difference between the District Attorney's assets and liabilities- is one way to measure the District Attorney's financial health, or financial position. Over time, increases and decreases in the District Attorney's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors will also need to be considered to assess the overall health of the District Attorney.

The government-wide financial statements of the District Attorney, report only one type of activity – governmental activities. All of the District Attorney's basic services are included here, such as judicial services and general administration.

Fund Financial Statements

The fund financial statements, beginning on page 11, provide more detail about the District Attorney's most significant funds – not the District Attorney as a whole. State laws require the establishment of some funds. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

The District Attorney uses only the governmental type of fund with the following accounting approach. Most of the District Attorney's basic services are included in governmental funds, which focus on how cash and other financial assets that can be readily converted to cash flow in and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements therefore provide a detailed short-term view of the District Attorney's general government operations and the basic services it provides, and helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Since this information does not include the additional long-term focus of government-wide statements, we provide reconciliations on the subsequent pages that explain the relationship (or differences) between the two different type statements.

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Net position. The District Attorney's combined net position decreased between fiscal years 2013 and 2014, decreasing to approximately $634,396. (See Table 1 below)

Table 1
District Attorney's Net Position

	Governmental Activities 2013	Governmental Activities 2014
Current and other assets	$ 790,917	$ 914,788
Capital assets	139,316	96,917
Total assets	**$ 930,233**	**$ 1,011,705**
Current liabilities	65,914	100,491
Noncurrent liabilities	224,955	276,818
Total liabilities	**$ 290,869**	**$ 377,309**
Net position:		
Invested in capital assets, net of related debt	114,824	78,548
Restricted – IV-D Program	28,027	24,879
Restricted – Worthless Check Program	41,970	46,331
Restricted – Early Intervention Program	79,412	30,344
Unrestricted	375,131	454,294
Total net position	**$ 639,364**	**$ 634,396**

Net position of the District Attorney's governmental activities decreased by 0.7 percent to $634,396.

Changes in net position. The District Attorney's total revenues decreased by 6.8 percent to $3.74 million (See Table 2), due to lower fines, fees & costs, federal grants, and forfeitures. Approximately 68 percent of the District Attorney's revenue comes from fines, fees, and forfeitures collected from defendants in civil and criminal cases.

The total cost of all programs and services decreased approximately $127,890 or 3.3 percent due to decreasing personnel benefits and costs and various operating expenses. The District Attorney's expenses cover all services performed by its office.

Governmental Activities

Revenues for the District Attorney's governmental activities decreased by 6.8 percent, while total expenses decreased 3.3 percent.

Table 2
Changes in District Attorney's Net Position

	Governmental Activities 2013	Governmental Activities 2014
Revenues		
Program Revenues		
Charges for services	$ 2,418,784	$ 2,266,282
Federal, State & local grants	1,591,570	1,471,097
Other revenues	(306)	1,488
Total revenues	**$ 4,010,048**	**$ 3,738,867**
Expenses		
General government	3,871,725	3,743,835
Total expenses	**$ 3,871,725**	**$ 3,743,835**
Increase (decrease) in net position	**$ 138,323**	**$ (4,968)**

Table 3
Net Cost of District Attorney's Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014
Judicial Services	3,471,380	81,691
IV-D Program	272,455	(88,147)
Total	**$3,743,835**	**$ (6,546)**

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of $819,949, reflecting an increase over the prior year of $89,294. Of this fund balance, $55,223 is restricted for use in the IV-D and early intervention programs, $46,331 is assigned for the worthless check program, and $718,395 is unassigned within the general fund and therefore available for spending.

The increase in fund balance was due mainly to increases in revenues provided by the parish entities and decreases in operating costs, capital outlay, and personnel benefits.

General Fund Budgetary Highlights

During the year, the District Attorney revised its worthless check and early intervention budgets once. The budget amendment was to increase appropriations to prevent budget overruns and revise increased revenue estimates as well as expenses associated with the increased revenues. Revenues within the worthless check fund were reduced on less collections, while the early intervention revenues was budgeted higher on expected grant reimbursements, which did not materialize.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the year, the District Attorney had invested $96,917 in capital assets. (See Table 4).

Table 4
District Attorney's Capital Assets
(net of accumulated depreciation)

	Governmental Activities 2013	Governmental Activities 2014
Vehicles	26,108	19,714
Furniture and equipment	113,208	77,203
Total	**$ 139,316**	**$ 96,917**

Debt

At year-end, the District Attorney had long-term debt in the amount of $12,717 (excluding current portions due within the next year), representing capital lease payments due on office equipment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Approximately 68 percent of the District Attorney's revenues are derived from fines, fees, and forfeitures from civil and criminal cases. The District Attorney's fines and fees are expected to increase slightly from the prior year with grant income decreasing from a federal award in its third year. Personnel benefit costs will level out due to decreases in retirement costs, which could be offset by health insurance increases. Other costs will be cut in order to remain within estimated revenues generated. The budget for the year 2015 will be monitored closely in order to reduce non-essential spending and operate within the expected revenues to be generated.

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Honorable Richard J. Ward, Jr., District Attorney of the Eighteenth Judicial District Iberville Parish Courthouse P.O. Drawer 880 Plaquemine, Louisiana 70765.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Statement of Net Position

December 31, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 514,527
Investments	344,603
Accounts receivable	16,777
Grants receivable	38,881
Capital assets, net of depreciation	96,917
Total Assets	1,011,705
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	-
LIABILITIES	
Accounts payable and accrued expenses	94,839
Current portion of long term obligations	5,652
Long term liabilities:	
Non-current portion of long term obligations	12,717
Other post-employment benefits	264,101
Total Liabilities	377,309
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	-
NET POSITION	
Invested in capital assets, net of related debt	78,548
Restricted for:	
IV-D Program	24,879
Worthless Check Program	46,331
Early Intervention Program	30,344
Unrestricted (deficit)	454,294
Total net position	$ 634,396

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Statement of Activities

For the Year Ended December 31, 2014

		Program Revenues		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue
Governmental activities:				
General government - Judicial	$ 3,471,380	$ 2,266,282	$ 1,286,789	$ 81,691
Health and welfare	272,455	0	184,308	(88,147)
Total governmental activities	3,743,835	2,266,282	1,471,097	(6,456)
General revenues:				
Gain (loss) on sale of assets				0
Unrestricted investment earnings				1,488
Total general revenues				1,488
Change in net position				(4,968)
Net position - beginning of the year				639,364
Net position - end of the year				$ 634,396

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
Balance Sheet - Governmental Funds

December 31, 2014

	GENERAL FUND	IV-D FUND	WORTHLESS CHECK FUND	EARLY INTERVENTION FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 439,142	$ 9,582	$ 46,331	$ 19,472	$ 514,527
Investments	344,603	0	0	0	344,603
Receivables	16,777	28,009	0	10,872	55,658
Total Assets	$ 800,522	$ 37,591	$ 46,331	$ 30,344	$ 914,788
LIABILITIES & FUND BALANCE					
Liabilities:					
Accounts payable	$ 11,792	$ 560	$ 0	$ 0	$ 12,352
Payroll deductions and withholdings	70,335	12,152	0	0	82,487
Total Liabilities	82,127	12,712	0	0	94,839
Fund Balances:					
Restricted for:					
Federal & state grants	0	24,879	0	30,344	55,223
Assigned for:					
Worthless checks	0	0	46,331	0	46,331
Unassigned	718,395	0	0	0	718,395
Total Fund Balances	718,395	24,879	46,331	30,344	819,949
TOTAL LIABILITIES & FUND BALANCE	$ 800,522	$ 37,591	$ 46,331	$ 30,344	$ 914,788

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

For the Year Ended December 31, 2014

Total fund balance - governmental funds	$	819,949
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Balance sheet - governmental funds.		96,917
Long-term liabilities, including capital leases payable, are not due and payable in the current period and therefore are not reported in the Balance sheet - governmental funds.		(18,369)
Post employment benefits reported in governmental activities are not current financial resources and, therefore, are not reported in the Balance Sheet - governmental funds.		(264,101)
Total net position of governmental activities	$	634,396

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2014

	GENERAL FUND	IV-D FUND	WORTHLESS CHECK FUND	EARLY INTERVENTION FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Commissions on fines and forfeitures and fees for collection of worthless checks	$ 1,553,544	$ 0	$ 15,898	$ 0	$ 1,569,442
Intergovernmental revenues:					
Parish police juries	684,095	0	0	0	684,095
Federal grants	0	184,308	0	129,170	313,478
Other	38,250	0	0	0	38,250
On-Behalf salaries & benefits received	1,120,619	0	0	0	1,120,619
Interest earnings	1,488	0	0	0	1,488
Other revenues	4,496	0	0	7,000	11,496
Total revenues	3,402,492	184,308	15,898	136,170	3,738,868
EXPENDITURES					
Salaries and related benefits	1,416,313	245,235	0	0	1,661,548
On-Behalf salaries & benefits paid	1,120,619	0	0	0	1,120,619
Legal and accounting	21,775	0	0	0	21,775
Insurance	158,412	12,803	0	0	171,215
Office supplies	146,725	2,822	4	3,036	152,587
Repairs and maintenance	37,594	488	0	0	38,082
Utilities	25,680	5,487	0	3,058	34,225
Capital outlay	12,218	0	0	0	12,218
Miscellaneous	251,007	5,621	1,533	179,144	437,305
Total expenditures	3,190,343	272,456	1,537	185,238	3,649,574
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	212,149	(88,148)	14,361	(49,068)	89,294
OTHER FINANCING SOURCES (USES)					
Sale of fixed assets	0	0	0	0	0
Transfers in	10,000	85,000	0	0	95,000
Transfers out	(85,000)	0	(10,000)	0	(95,000)
Total other financing sources (uses)	(75,000)	85,000	(10,000)	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	137,149	(3,148)	4,361	(49,068)	89,294
FUND BALANCE AT BEGINNING OF YEAR	581,246	28,027	41,970	79,412	730,655
FUND BALANCE AT END OF YEAR	$ 718,395	$ 24,879	$ 46,331	$ 30,344	$ 819,949

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds	$	89,294
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.		
Capital outlays		6,095
Depreciation		(48,494)
Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities only gains or losses are reported:		
Gain (loss) on the disposal of capital assets		0
Proceeds from the sale of capital assets		0
Repayment of the principal of long term debt results in the use of current financial resources in the governmental funds, but has no effect on the Statement of Net Assets. This represents the amount of principal retirement of long term debt.		6,123
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) decrease in other post-employment benefits		(57,986)
Change in net position of governmental activities	$	(4,968)

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Statement of Fiduciary Net Position
December 31, 2014

	AGENCY FUNDS
ASSETS	
Cash and cash equivalents	$ 1,114,979
Total Assets	$ 1,114,979
LIABILITIES	
Amounts held in custody for others	1,114,979
Total Liabilities	$ 1,114,979

The accompanying notes are an integral part of this statement.

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, 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. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs 40 people.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Attorney of the 18th Judicial District, a component unit of the Iberville and West Baton Rouge Parish Council, and Pointe Coupee Parish Police Jury, 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,* issued June 1999.

B. REPORTING ENTITY

The district attorney is an independent elected official; however, the district attorney is fiscally dependent on the Iberville and West Baton Rouge Parish Councils, and Pointe Coupee Parish Police Jury. The police jury and councils maintain and operate the parish courthouses in which the district attorney's offices are located and provide funds for payroll and other expenses of the district attorney's office. In addition, the councils' and police jury's financial statements would be incomplete or misleading without inclusion of the district attorney. For these reasons, the district attorney was determined to be a component unit of the Iberville and West Baton Rouge Parish Council and Pointe Coupee Parish Police Jury, the financial reporting entities of the Iberville, Pointe Coupee, and West Baton Rouge Parishes.

The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the jury and councils, the general governmental services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

C. FUND ACCOUNTING

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

Governmental Funds

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

General Fund – the primary operating fund of the district attorney and it accounts 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 or transferred in accordance with state and federal laws and according to district attorney policy. The general fund also includes the pre-trial diversion program.

Title **IV-D Special Revenue Fund**

The Title IV-D Special Revenue Fund consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the 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 child, spousal and medical support.

Worthless Check Collection Fee Special Revenue Fund

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the district attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used to defray the salaries and the expenses of the office of the district attorney but may not by used to supplement the salary of the district attorney.

Early Intervention Fund

The Early Intervention Fund consists of federal grants passed through the Pointe Coupee, Iberville, and West Baton Rouge Parish School Boards and the Louisiana Division of Administration, Office of Community Development- Disaster Recovery Unit, state aid, and a local benefactor's donations, which provide funding for the purpose of providing students in pre-kindergarten through the eighth grade with services which will help them to avoid behavioral problems, delinquency, violent crimes, substance abuse and to achieve more success in their educational endeavors.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the district attorney as a whole. These statements include all the financial activities of the district attorney. Information contained in these statements reflect 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

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

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance 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 statement 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's operations (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS 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 revenues 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 are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector, an intermediary collecting government.

Intergovernmental revenues are recorded when the District Attorney is entitled to the funds.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

Deferred Revenues

Deferred revenues arise when the district attorney receives resources 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.

E. BUDGETS

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2014 was completed, published, and made available for public inspection on December 5, 2013. The public hearing was held at the District Attorney's office on December 19, 2013 for comments from taxpayers. The budget was legally adopted and amended, as necessary, by the District Attorney following the public hearing. All expenditure appropriations lapse at year end. The District Attorney has sole authority to make changes or amendments within various budget classifications. One amendment was made to the Worthless Check & Early Intervention Special Revenue Fund budgets for the year ended December 31, 2014.

The on-behalf payments received and paid by the State of Louisiana and the parish councils and jury are not budgeted or reflected in the Budgetary Comparison Schedule- General Fund in this report. The net effect of reflecting the receipt and payment of salaries and benefits on-behalf is zero. A reconciliation of total revenues and expenditures for the General Fund follows:

	Total Revenue	Total Expenditures
Actual – Page 13	$ 3,402,492	$ 3,190,343
On-Behalf Payments	1,120,619	1,120,619
Budget – Page 32	$ 2,281,873	$ 2,069,724

F. ENCUMBRANCES

The district attorney does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the district attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the district attorney's investment policy. The district attorney may invest in United States bonds, treasury notes, or certificates of deposits. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. GASB Statement No. 31 allows the district attorney to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at fair value which approximates cost.

I. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated historical 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 $500 or more for capitalizing capital assets.

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

Equipment & furniture	5 years
Vehicles	5 – 10 years

J. BAD DEBTS

The District Attorney uses the allowance method whereby uncollectible amounts due from other governmental entities are recognized as bad debts through the use of an allowance account or charged off at the time information becomes available which indicates the particular receivable is not collectible. No charge offs have occurred in the current or previous years of the District Attorney's operations.

K. OTHER POSTEMPLOYMENT BENEFITS

In November 2004, the GASB issued Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." This statement requires the accrual of other postemployment benefits for retired employees. The district attorney has recorded a liability for other postemployment benefits as of December 31, 2014.

In government-wide financial statements, the other postemployment benefits liability is recorded as an expense and non-current liability and allocated on a functional basis. In the fund financial statements, other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

L. COMPENSATED ABSENCES

The district attorney has the following policy relating to vacation and sick leave, which are non-cumulative and non-vesting:

> Sick Leave – Employees have ten days leave with pay. Any sick leave taken after the ten days will be taken without pay.
> Vacation – Secretaries have one week vacation the first year, two weeks vacation the second year and three weeks vacation thereafter.

M. RESTRICTED NET POSITION

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and

2) imposed by law through constitutional provisions or enabling legislation.

N. FUND EQUITY

Beginning with the fiscal year ending December, 2011, the District Attorney adopted Governmental Accounting Standards Board (GASB) Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The following describes the different classifications available for fund balances of governmental funds:

> *Nonspendable* – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
>
> *Restricted* – amounts for which constraints have been externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or amounts that are imposed by law through constitutional provisions or enabling legislation.
>
> *Committed* – amounts that can be used only for specific purposes determined by formal action of the District Attorney, who is the highest level of decision-making authority for the District Attorney, 18th Judicial District. Commitments cannot be used for any other purpose unless the same action that established them decides to modify or remove them.
>
> *Assigned* – amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts can only be assigned by the District Attorney or individual designated for that purpose.

Unassigned – the residual fund balance in the general fund.

When fund balance resources are available for a specific purpose, the District Attorney considers the most restrictive funds to be used first. However, the District Attorney reserves the right to spend unassigned resources first and to defer the use of more restrictive funds.

O. USE OF ESTIMATES

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

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had actual expenditures over budgeted appropriations for the year ended December 31, 2014:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
Worthless Check Fund	$ 4,000	$ 1,500	$ 1,537	$ 37

3. DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and Cash equivalents include bank accounts and short-term investments. See Note 1(G) for additional cash disclosure note information.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure the District Attorney's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the District Attorney. The District Attorney's cash and investment policy, as well as state law, require that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. The following chart represents bank balances for the District Attorney as of December 31, 2014. Deposits are listed in terms of whether they are exposed to custodial credit risk.

Bank Balances

	Uninsured & Uncollateralized	Uninsured & collateralized With securities held by Pledging Institution or it's Trust Department/Agent But not in the Entity's Name	Total Bank Balances - All Deposits	Total Carrying Value - All Deposits
Cash and Cash Equivalents	$ -	$ -	$ 1,658,292	$ 1,629,506

Total bank balances and total carrying amount of deposits includes cash in the agency funds at year-end of $1,114,979.

B. Investments

Investments are stated at fair value. See also Note 1 (H) for additional investment disclosure information.

Credit Risk - Investments

Investments permitted by state statute include obligations issued, insured or guaranteed by the U.S. government including certificates or other ownership interest in such obligations and/or investments in registered mutual or trust funds consisting solely of U.S. government securities. The District Attorney's investment program is limited to purchases of bank certificate of deposits, U.S. treasury and government agency obligations as well as investments in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a nonprofit corporation formed by an initiative of the State Treasurer, and organized under the laws of the State of Louisiana which operates a local government investment pool. It is the District Attorney's opinion that since these securities are governmental agencies, credit risk is not a factor.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District Attorney will not be able to recover the value of the investment. Investments are exposed to custodial risk if the securities are (a) uninsured and unregistered and held by the counterparty or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the District Attorney. The following chart presents the investment position of the District Attorney as of December 31, 2014. The various types of investments are listed and presented by whether they are exposed to custodial credit risk.

Investments

	Uninsured, Unregistered, and Held by the Counterparty	Uninsured, Unregistered & Held by the Counterparty's Trust Department or Agent But not in the Entity's Name	All Investments - Reported Amount	All Investments - Fair Value
Certificates of Deposit	-	-	$ 344,603	$ 344,603
Total	$ -	$ -	$ 344,603	$ 344,603

Interest Rate Risk - Investments

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. The District Attorney's investment policy with regards to interest rate risk is to match cash flow requirements with cash flows from investments. This matching allows for securities to be held to maturity thereby avoiding realizing losses due to liquidation of securities prior to maturity, especially in a rising interest rate environment. Investing in longer term maturities that contain a "step up" in coupon interest rates will also contribute to the reduction of interest rate risk. Investments classified by maturity dates at December 31, 2014 are summarized below:

Investment	Fair Value	0-1 Years Before Maturity	1-5 Years Before Maturity	6+ Years Before Maturity
Certificates of Deposit	$ 344,603	344,603	0	-
Total	$ 344,603	$ 344,603	$ 0	$ -

4. RECEIVABLES

The following is a summary of receivables at December 31, 2014:

	General Fund	IV-D Fund	Early Intervention Fund	Totals
Accounts Receivable	$16,777	$ 28,009	$10,872	$55,658

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2014 are as follows:

	Furniture & Equipment	Automobiles	Total
Cost of capital assets, December 31, 2013	$ 355,632	$ 31,969	$ 387,601
Additions	6,095	0	6,095
Deletions	0	0	0
Cost of capital assets, December 31, 2014	361,727	31,969	393,696
Accumulated depreciation, December 31, 2013	242,424	5,861	248,285
Additions	42,100	6,394	48,494
Deletions	0	0	0
Accumulated depreciation, December 31, 2014	284,524	12,255	296,779
Capital assets net of accumulated Depreciation, at December 31, 2014	$ 77,203	$ 19,714	$ 96,917

Depreciation expense of $48,494 and $50,908 for the years ended December 31, 2014 and 2013, respectively, was charged to the general governmental function.

6. PENSION PLANS

Substantially all employees of the District Attorney are members of either the Louisiana District Attorneys Retirement System or the Parochial Employees' Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Louisiana District Attorneys Retirement System

Plan Description. The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Assistant district attorneys who earn, as a minimum, the amounts paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 per cent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 per cent of his average final compensation. For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to normal retirement benefit reduced 3 per cent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 per cent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The rate from July 1, 2014 to June 30, 2015 was 7.00 percent of covered payroll (9.75% in prior year). Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district attorney's contributions to the System for the years ending December 31, 2014, 2013, and 2012, were $61,257, $72,434 and $72,434 respectively, equal to the required contributions for each year.

B. Parochial Employees' Retirement System of Louisiana

Plan Description. Substantially all employees of the District Attorney who are not members of the District Attorneys Retirement System are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District Attorney who are in the system are members of Plan A. All permanent employees working at least 28 hours per week whom are paid wholly or in part from Parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who are members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus $24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 16.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System under Plan A for the years ending December 31, 2014, 2013, and 2012, were $96,528, $104,342, and $100,437, respectively, equal to the required contributions for each year.

7. DEFERRED COMPENSATION PLAN

Employees of the District Attorney may participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. The District Attorney's office has agreed to contribute a matching amount on a dollar for dollar basis of the employee's deferral up to a maximum of 6% of gross wages determined in the initial year of the plan or employment if hired after that date. Contributions made by the District Attorney for the year ending December 31, 2014, 2013 and 2012, were $57,799, $58,688, and $59,458, respectively. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The District's medical benefits are provided through a comprehensive medical plan and are made available to certain employees upon actual retirement. Only a retiring District Attorney with at least 25 years of service is eligible for retiree medical benefits to be paid by the employer. Benefits are governed by applicable Louisiana Law (R.S. 16:516).

Contribution Rates – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2009, the District recognized the cost of providing post-employment medical benefits (the District's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the District's portion of health care funding cost for retired employees totaled $0 and $0, respectively.

Effective January 1, 2009, the District implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution – The District's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

		2014
Normal cost	$	22,638
30-year UAL amortization amount		39,023
Annual required contribution (ARC)	$	61,661

Net Post-employment Benefit Obligation (Asset) – The table below shows the District's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

		2013		2014
Beginning Net OPEB Obligation	$	149,491	$	206,115
Annual required contribution		59,289		61,661
Interest on Net OPEB Obligation		5,980		8,245
ARC Adjustment		(8,645)		(11,920)
OPEB Cost		56,624		57,986
Contribution to Irrevocable Trust		-		-
Current year retiree premium		(0)		(0)
Change in Net OPEB Obligation		56,624		57,986
Ending Net OPEB Obligation	$	206,115	$	264,101

The following table shows the District's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
December 31, 2014	$ 57,986	0.00%	$ 264,101
December 31, 2013	$ 56,624	0.00%	$ 206,115

Funded Status and Funding Progress – In 2014 and 2013, the District made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year December 31, 2014 was $701,776 which is defined as that portion, as determined by a particular actuarial cost method (the District uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

		2013		2014
Actuarial Accrued Liability (AAL)	$	674,785	$	701,776
Actuarial Value of Plan Assets (AVP)		-		-
Unfunded Act. Accrued Liability (UAAL)	$	674,785	$	701,776
Funded Ratio (AVP/AAL)		0.00%		0.00%
Covered Payroll (active plan members)	$	201,169	$	198,408
UAAL as a percentage of covered payroll		335.43%		353.70%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the District and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the District and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the District and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate – Because of the limited nature of the covered employees, we have not assumed any turnover in this valuation.

Post employment Benefit Plan Eligibility Requirements – Based on past experience and the inherent plan design, it has been assumed that entitlement to benefits will commence at the later of age 65 and completion of twenty-five years of service. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical insurance for the retiree and dependents under a fully insured plan. We have used the rates provided which were deemed to be "unblended as mandated GASB Codification Section P50.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	OPEB Costs and Contributions		
	FY 2012	FY 2013	FY 2014
OPEB Cost	$ 55,330	$ 56,624	$ 57,986
Contribution	-	-	-
Retiree premium	0	0	0
Total contribution and premium	0	0	0
Change in net OPEB obligation	$ 55,330	$ 56,624	$ 57,986
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	0.00%	0.00%	0.00%

9. LEASES

The district attorney records assets acquired through capital leases as an asset and an obligation in the accompanying financial statements. The district attorney currently has a capital lease on a copier/scanner that includes a purchase option at the end of the lease for $1. The following is an analysis of capital leases:

Type	Recorded amount
Equipment- Copier	$28,260

The minimum annual commitments under operating leases are as follows:

Fiscal year:	Equipment
2015	$ 5,652
2016	5,652
2017	5,652
2018	1,413
2019	0
Total minimum lease payments	$ 18,369
Less amount representing interest	-
Present value of net minimum lease payments	$ 18,369

The district attorney also has cancellable operating leases on 2 copiers and a postage machine and incurred rental expense in the amount of $4,980 for the year ended December 31, 2014.

10. INTERFUND TRANSFERS

The following interfund transfers were incurred during the year ended December 31, 2014:

Transferring Fund	**IV-D Fund**	**General Fund**
General Fund	$ 85,000	
Worthless Check Fund		$10,000

Transfers from the general fund to IV-D fund occurred in order to cover the additional costs of running the child enforcement support program over the federal funds received during the year and the transfers from the worthless check fund to the general fund occurred to transfer excess cash not needed in that fund.

11. LITIGATION AND CLAIMS

At December 31, 2014, the district attorney had no pending lawsuits. Litigation costs of $0 were incurred in the current year.

12. EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include expenses of the District Attorney paid from the criminal court funds or from other parish funds for the operation of the District Attorney. Examples include office rent, miscellaneous supplies, and portions of health insurance. The amount of expenses paid by these other agencies has not been determined. See note 15 for other on-behalf payments included in these financial statements.

13. OTHER EMPLOYMENT BENEFITS

The District Attorney provides certain health care and dental benefits for its active employees. Substantially all employees may participate while working for the District Attorney. These benefits are provided through the related councils & police jury and an insurance company whose monthly insurance premiums are paid by the District Attorney. The cost of employee's benefits totaled $167,821 and $171,380 for the years ended December 31, 2014 and 2013, respectively.

14. RISK MANAGEMENT

The District Attorney's office is exposed to risks of loss in the area of workers' compensation. Those risks are handled by purchasing commercial insurance. There was no significant reduction in insurance coverage during the current fiscal year.

15. ON-BEHALF PAYMENTS

The state and the various councils and jury pay a portion of the salaries of the District Attorney and the Assistant District Attorneys. The councils and jury pay the salaries of the office staff with a supplemental payroll from the District Attorney's payroll account. The State of Louisiana provides direct payments of salaries to the district attorney and the assistant district attorneys as designated by the District Attorney's office. These payments, referred to as "on-behalf payments received", provide the district attorney and assistant district attorneys with their base salary (currently $50,000 and $45,000, respectively). If the District Attorney's office wishes to pay salaries greater than the amount of salary supplements from the state, the additional amounts are paid out of the council's or police jury's payroll accounts or the District Attorney's office payroll account. The councils and jury provide the office staff with their base salary and if the District Attorney wishes to pay salaries greater than that amount, the additional amounts are paid out of the District Attorney's payroll account.

In accordance with GASB No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance,* the amount of on-behalf salaries paid directly to the district attorney, assistant district attorneys, and office staff, as well as the related benefits, has been recognized by the District Attorney's Office as revenues and expenditures. The amount recognized for the year ended December 31, 2014 and 2013 was $1,120,619 and $1,160,628, respectively.

16. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the following federal financial assistance programs:

Federal Grants/ Program Title	CFDA Number	Pass-Through Grantors Number	Expenditures
Department of Health and Human Services			
Passed through Louisiana Department of Social Services:			
Title IV-D – Reimbursement assistance for child support			
Direct Grant			
Reimbursement Funds	93.563	1304LA4004	$184,308

This program is funded by indirect assistance payments in the form of reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. The reimbursed payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis. Reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit.

Federal Grants/ Program Title	CFDA Number	Pass-Through Grantors Number	Expenditures
U.S. Department of Education Passed through Louisiana Department of Education and the Pointe Coupee Parish School Board:			
Safe and Drug-Free Schools & Communities-Coordinated School Based Health Pilot Program (Prosecutor's Early Intervention Program)	84.184S	N/A	$56,964

This program is funded by indirect assistance payments from the Pointe Coupee, Iberville, and West Baton Rouge Parish School Boards, received from the Louisiana Department of Education , private donations, and state aid to local governments from the state legislature. The payments are restricted by a formal intergovernmental agreement between the District Attorney and the Parish School Boards for the purpose of providing students in pre-k through eighth grade with services which will help them avoid behavioral problems and achieve more success in their educational endeavors.

Federal Grants/ Program Title	CFDA Number	Pass-Through Grantors Number	Expenditures
U.S. Department of Housing &Urban Development Passed through Louisiana Division of Administration-Office of Community Development – Disaster Recovery Unit:			
Community Development Block Grants-States Program (Prosecutor's Early Intervention Program)	14.228	B-08-DI-22-001	$72,206

This program is funded by cost reimbursement payments passed through the Louisiana Division of Administration Office of Community Development- Disaster recovery unit from a US Department of Housing and Urban Development community development block grant. The payments are restricted by a formal intergovernmental agreement between the District Attorney and Division of Administration for the purpose of providing case management targeting children who are at risk for delinquency, violent crimes, or substance abuse within the parishes served by the district attorney.

17. SUBSEQUENT EVENTS

Management has performed an evaluation of the District Attorney's activities through May 28, 2015, and has concluded that there are no significant subsequent events requiring recognition or disclosure through the date and time these financial statements were available to be issued on May 28, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	$ 1,524,950	$ 1,524,950	$ 1,553,544	$ 28,594
Intergovernmental revenues:				
Parish police jury	679,592	679,592	684,095	4,503
Other	38,100	38,100	38,250	150
Interest earnings	2,600	2,600	1,488	(1,112)
Other revenues	9,650	9,650	4,496	(5,154)
Total revenues	2,254,892	2,254,892	2,281,873	26,981
EXPENDITURES				
Salaries and related benefits	1,434,200	1,434,200	1,416,313	17,887
Legal and accounting	25,000	25,000	21,775	3,225
Insurance	158,000	158,000	158,412	(412)
Office supplies	166,500	166,500	146,725	19,775
Repairs and maintenance	34,000	34,000	37,594	(3,594)
Utilities	25,500	25,500	25,680	(180)
Capital outlay	5,000	5,000	12,218	(7,218)
Miscellaneous	335,000	335,000	251,007	83,993
Total expenditures	2,183,200	2,183,200	2,069,724	113,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	71,692	71,692	212,149	140,457
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	0	0	0	0
Transfers in	10,000	10,000	10,000	0
Transfers out	(80,000)	(80,000)	(85,000)	(5,000)
Total other financing sources (uses)	(70,000)	(70,000)	(75,000)	(5,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,692	1,692	137,149	135,457
FUND BALANCE AT BEGINNING OF YEAR	427,186	427,186	581,246	154,060
FUND BALANCE AT END OF YEAR	$ 428,878	$ 428,878	$ 718,395	$ 289,517

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
IV-D FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	$ 0	$ 0	$ 0	$ 0
Intergovernmental revenues:				
Federal grants	185,000	185,000	184,308	(692)
Total revenues	185,000	185,000	184,308	(692)
EXPENDITURES				
Salaries and related benefits	247,400	247,400	245,235	2,165
Legal and accounting	0	0	0	0
Insurance	12,500	12,500	12,803	(303)
Office supplies	3,500	3,500	2,822	678
Repairs and maintenance	1,000	1,000	488	512
Utilities	4,000	4,000	5,487	(1,487)
Capital outlay	1,000	1,000	0	1,000
Miscellaneous	4,350	4,350	5,621	(1,271)
Total expenditures	273,750	273,750	272,456	1,294
EXCESS (DEFICIENCY\) OF REVENUES OVER EXPENDITURES	(88,750)	(88,750)	(88,148)	602
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	80,000	85,000	5,000
Transfers out	0	0	0	0
Total other financing sources (uses)	80,000	80,000	85,000	5,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(8,750)	(8,750)	(3,148)	5,602
FUND BALANCE AT BEGINNING OF YEAR	33,520	33,520	28,027	(5,493)
FUND BALANCE AT END OF YEAR	$ 24,770	$ 24,770	$ 24,879	$ 109

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
WORTHLESS CHECK FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	$ 21,000	$ 14,500	$ 15,898	$ 1,398
Intergovernmental revenues:				
Federal grants	0	0	0	0
Total revenues	21,000	14,500	15,898	1,398
EXPENDITURES				
Salaries and related benefits	0	0	0	0
Legal and accounting	0	0	0	0
Insurance	0	0	0	0
Office supplies	0	0	4	(4)
Repairs and maintenance	0	0	0	0
Utilities	0	0	0	0
Capital outlay	0	0	0	0
Miscellaneous	4,000	1,500	1,533	(33)
Total expenditures	4,000	1,500	1,537	(37)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,000	13,000	14,361	1,361
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	(10,000)	(10,000)	(10,000)	0
Total other financing sources (uses)	(10,000)	(10,000)	(10,000)	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	7,000	3,000	4,361	1,361
FUND BALANCE AT BEGINNING OF YEAR	42,656	41,970	41,970	(0)
FUND BALANCE AT END OF YEAR	$ 49,656	$ 44,970	$ 46,331	$ 1,361

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana
EARLY INTERVENTION FUND

BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2014

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
Commissions on fines, forfeitures and fees for collection of worthless checks	$ 0	$ 0	$ 0	$ 0
Intergovernmental revenues:				
Federal grants	128,464	171,964	129,170	(42,794)
State grants	0	0	0	0
Other revenues	0	7,000	7,000	0
Total revenues	128,464	178,964	136,170	(42,794)
EXPENDITURES				
Salaries and related benefits	0	0	0	0
Legal and accounting	0	0	0	0
Insurance	0	0	0	0
Office supplies	1,250	3,500	3,036	464
Repairs and maintenance	0	0	0	0
Utilities	6,000	3,500	3,058	442
Capital outlay	0	0	0	0
Miscellaneous	121,500	191,500	179,144	12,356
Total expenditures	128,750	198,500	185,238	13,262
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(286)	(19,536)	(49,068)	(29,532)
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total other financing sources (uses)	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(286)	(19,536)	(49,068)	(29,532)
FUND BALANCE AT BEGINNING OF YEAR	92,452	79,412	79,412	(0)
FUND BALANCE AT END OF YEAR	$ 92,166	$ 59,876	$ 30,344	$ (29,532)

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
PLAQUEMINE, LOUISIANA

EMPLOYEE HEALTH CARE PLAN
DECEMBER 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January1, 2009	$0	$523,066	$523,066	0%	$172,908	303%
January1, 2010	$0	$523,066	$523,066	0%	$173,196	302%
January1, 2011	$0	$523,066	$523,066	0%	$173,773	301%
January 1, 2012	$0	$648,832	$648,832	0%	$185,865	349%
January 1, 2013	$0	$674,785	$674,785	0%	$201,169	335%
January 1, 2014	$0	$701,776	$701,776	0%	$198,408	354%

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head

For the Year Ended December 31, 2014

AGENCY HEAD NAME: Richard J. Ward, Jr.

PURPOSE	AMOUNT
Salary	$ 131,524
Benefits - insurance	30,301
Benefits - retirement	10,024
Deferred compensation	6,250
Cell phone	3,256
Travel - mileage reimbursements	8,406
Registration fees	1,565
Conferences - hotel	984
	$ 192,310

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

Honorable Richard J. Ward, Jr.
District Attorney, 18th Judicial District
Plaquemine, Louisiana 70765

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney, 18th Judicial District for the Parishes of Iberville, Pointe Coupee, and West Baton Rouge, State of Louisiana, a component unit of the Iberville and West Baton Rouge Parish Councils and Pointe Coupee Parish Police Jury, 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 May 28, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 14-1 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 14-1 and 14-2 to be significant deficiencies.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings and

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responses as item 14-3.

District Attorney's Response to Findings

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

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.

Major, Morrison & David

Major, Morrison & David
New Roads, Louisiana
May 28, 2015

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DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Schedule of Findings and Responses
For the Year Ended December 31, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness (es) identified?	__X_ yes ____ no
Deficiency(s) in internal controls identified not considered to be material weaknesses?	__X yes ____ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 14-1

Criteria: Accounting duties should be segregated to achieve effective internal control and safeguarding of assets.

Condition: Lack of segregation of duties in processing cash transactions.

Effect: A defalcation or misappropriation of funds could more easily occur.

Cause: Lack of segregation of duties, which permits control to be exercised over the accounting records by a person who also handles or controls cash transactions without any intervention by another person.

Recommendation: We recommend that steps be taken to segregate duties in processing cash transactions.

Management's Response: Because of the limited number of accounting personnel, total segregation of accounting duties will not be possible or cost beneficial. However, management has established and implemented additional review procedures paying close attention to processes handled by the accounting personnel to reduce the risk of potential problems and will continue to review accounting procedures and make internal control improvements that are practical.

Finding 14-2

Condition: As is common in small organizations, the District Attorney does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such management has chosen to engage the auditor to prepare the annual financial statements. This condition is intentional by management based upon the District Attorney's limited administrative personnel, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with GAAP. Based on this decision, internal controls over the preparation of the financial statements, including the notes, in accordance with GAAP have not been established. Under generally accepted auditing standards, this represents a significant deficiency in internal controls.

Statement on Auditing Standards (SAS) No. 115 requires that we report the above condition as a deficiency in internal control. SAS 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Schedule of Findings and Responses
For the Year Ended December 31, 2014

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS 115 reporting requirements. The District Attorney has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review the draft financial statements and notes prior to approving them and accepting responsibility for the contents and presentation.

Management's Response: Management has agreed with the auditor's finding and recommendation.

Finding 14-3:

Criteria: Actual revenues and other sources for the remainder of the year, within a fund, shall not fall below the total budgeted revenues and other sources by 5% or more.

Condition: The District Attorney's actual revenues within the Early Intervention Special Revenue Fund failed to meet budgeted revenues by 5% or more.

Context: Total actual revenues totaled $136,170 and budgeted revenues totaled $178,964 which is a difference of $42,794 and represents 24% less than budgeted revenues.

Effect: It results in the District Attorney to be in violation of LSA-RS 39:1311(a)(1) regarding budgetary authority and control.

Cause: Upon preparation of the amended budgets, management over estimated revenues expected to be reimbursed prior to the end of the current fiscal year.

Recommendation: Management should monitor more closely actual revenues and compare to budgeted amounts more frequently including closer to the fiscal year end and amend the budget if necessary. Special revenue funds tend to have smaller revenue and expenditure amounts and require closer scrutiny with the budget in order to remain within the 5% variance.

Management's Response: Management has indicated this was an isolated event resulting from over estimating the amount of grant reimbursements to be received prior to the end of the fiscal year. Although an amendment was done earlier, the revenues that were anticipated to be received could not be applied for from the granting agency due to project manager changes at the state level and completion of a monitoring visit by the grantor. This resulted in delays in the submission of grant reimbursements resulting in falling below budgeted revenues. Management has indicated that it will make improvements to more closely monitor budget amendments and be more aware of estimated revenues that will be applied for and received prior to the end of the fiscal year.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2014

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
Section I – Internal Control and Compliance Material to the Financial Statements:				
13-1	FY98	Lack of segregation.	Partially	Total segregation is impractical. Additional review processes implemented closely monitoring accounting personnel to reduce the risk of potential problems.
13-2	FY07	Lack of experienced staff needed to prepare the financial statements in accordance with GAAP.	Partially	The District Attorney has examined cost & benefits of hiring an internal accountant in order to prepare the financial statements & determined that it is more beneficial to have the auditors prepare the statements with him reviewing before issuance.

Section II – Internal Control and Compliance Material to Federal Awards:

None.

Section III – Management Letter

Reporting on lack of segregation of duties and experienced staff needed to prepare the financial statements resulting in significant control deficiencies.

DISTRICT ATTORNEY OF THE EIGHTEENTH JUDICIAL DISTRICT
Plaquemine, Louisiana

Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2014

Ref. No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completed
Section I – Internal Control and Compliance Material to the Financial Statements:				
14-1	Lack of segregation.	Due to the size of the District Attorney's office, total segregation of accounting duties is impractical. Management has implemented additional review processes thereby reducing the risk of potential problems.	R. Ward	Ongoing
14-2	The district attorney does not have a staff person who has qualifications & training to apply GAAP in preparing the entity's financial statements.	The district attorney has evaluated cost vs. benefit of establishing controls over preparing the financial statements in accordance with GAAP & determined that it is best to have the auditor prepare the financial statements and notes & review drafts before approving the reports for issuance.	R.Ward	Ongoing
14-3	Violation of RS 39:1311(a)(1) regarding budgetary authority & control.	Additional steps will be taken to more closely monitor budget revenues on grant revenues in special revenue Funds.	R. Ward M. Maley	6/15

Section II – Internal Control and Compliance Material to Federal Awards:

None.

Section III – Management Letter

We reported on the lack of segregation of duties and of experienced staff to prepare the financial statements resulting in significant control deficiencies.

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Richard J. Ward, Jr., District Attorney
18th Judicial District
Plaquemine, Louisiana 70765

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the District Attorney's internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore significant deficiencies or material weaknesses may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We believe that the deficiency referred to as item 14-1 in the following paragraph constitutes a material weakness.

Item 14-1: Lack of segregation of duties involving cash transactions.
Item 14-2: Lack of experienced personnel to prepare the financial statements

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. We consider items 14-1 and 14-2 in the preceding paragraph to be significant deficiencies in internal control.

This communication is intended solely for the information and use of the District Attorney, management, the Legislative Auditor for the state of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Major, Morrison & David

Major, Morrison & David
New Roads, Louisiana
May 28, 2015

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