

**DISTRICT ATTORNEY OF THE
TWENTY-SECOND JUDICIAL DISTRICT**
St. Tammany and Washington Parishes, Louisiana

Annual Financial Statements
December 31, 2023

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
Annual Financial Statements
As of and for the Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Warren Montgomery
District Attorney of the Twenty-Second Judicial District
St. Tammany and Washington Parishes, Louisiana

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the District Attorney of the Twenty-Second Judicial District (the District Attorney) as of and for the year ended December 31, 2023, 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.

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 fiduciary fund information of the District Attorney, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the District Attorney, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt of the District Attorney's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of the District Attorney's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District Attorney's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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. My opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the supplementary schedules required by GASB statement No. 68 and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The schedule of compensation, benefits,

and other payments to agency head, as required by Louisiana Revised Statute 24:513 A(3), the Justice System Schedules as prescribed by Act 87 of the Legislative Session, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the amounts paid by the District Attorney included on the schedule of compensation, benefits, and other payments to agency head, justice funding schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The amounts paid by State of Louisiana included on the schedule of compensation, benefits, and other payments to agency head have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.



Robert A. Neilson, CPA

Bogalusa, Louisiana

June 27, 2024

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Statement of Net Position
 December 31, 2023

	Governmental Activities
ASSETS	
Cash & Cash Equivalents	\$ 842,059
Investments	1,286,446
Receivables	1,602,437
Prepaid Expenses	150,701
Capital assets (net)	491,277
Total Assets	\$ 4,372,920
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	\$ 4,226,306
LIABILITIES	
Current Liabilities	
Accounts Payable & Accrued Liabilities	\$ 55,373
Payroll Liabilities	35,170
Financing Lease	284
Enterprise Vehicle Lease	110,715
Long Term Liabilities	
Enterprise Vehicle Lease	172,028
Compensated Absences Payable	422,635
Net Pension Liability	5,352,050
Total Liabilities	\$ 6,148,255
DEFERRED INFLOWS OF RESOURCES	
Pension Related	\$ 380,451
NET POSITION	
Net Investment in Capital Assets	\$ 208,249
Unrestricted	1,862,271
Total Net Position	\$ 2,070,520

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

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	
Governmental Activities:				
Judicial	\$ 12,219,234	\$ 1,642,165	\$ 9,016,821	\$ (1,560,248)
Total Governmental Activities:	\$ 12,219,234	\$ 1,642,165	\$ 9,016,821	(1,560,248)
General Revenues				
Other				726,391
Interest and Investment Earnings				74,531
Total General Revenues				800,922
Change in Net Position				\$ (759,326)
Net Position- Beginning				2,829,846
Net Position- Ending				\$ 2,070,520

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT

St. Tammany and Washington Parishes, Louisiana

Balance Sheet

Governmental Funds

December 31, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash & Cash Equivalents	\$ 148,892	\$ 693,167	\$ 842,059
Investment	1,143,530	142,916	1,286,446
Receivables	470,649	1,131,788	1,602,437
Prepaid Expenses	131,723	18,978	150,701
			-
Total Assets	\$ 1,894,794	\$ 1,986,849	\$ 3,881,643
LIABILITIES			
Accounts Payable & Accrued Liabilities	\$ 55,373	\$ -	\$ 55,373
Payroll Liabilities	-	35,170	35,170
Total Liabilities	\$ 55,373	\$ 35,170	\$ 90,543
FUND BALANCES			
Restricted	\$ -	\$ 1,951,679	\$ 1,951,679
Unassigned	1,839,421	-	1,839,421
Total Fund Balances	\$ 1,839,421	\$ 1,951,679	\$ 3,791,100
Total Liabilities & Fund Balances	\$ 1,894,794	\$ 1,986,849	\$ 3,881,643

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DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2023

Fund Balances- Total Governmental Funds **\$ 3,791,100**

Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental Capital Assets	1,521,459	
Accumulated Depreciation	<u>(1,030,182)</u>	491,277

The deferred outflows of expenditures for the District Attorney's Retirement Funds are not a use of current resources, and therefore, are not reported in the fund financial statements. 4,226,306

Long Term Liabilities are not due and payable in the current year and, therefore, are not reported in the governmental fund:

Financing Leases	(284)	
Enterprise Leases	(282,743)	
Compensated Absences	(422,635)	
Net Pension Liability	<u>(5,352,050)</u>	(6,057,712)

The deferred inflows of contributions for the District Attorney's Retirement Funds are not a use of current resources, and therefore, are not reported in the fund financial statements. (380,451)

Net Position of Governmental Activities **\$ 2,070,520**

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended December 31, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Program Revenues			
Grants	\$ -	\$ 1,549,902	\$ 1,549,902
Intergovernmental Revenues	802,950	6,663,968	7,466,918
Commissions on Fines and Forfeitures	603,572	-	603,572
Diversionsary Program	-	608,926	608,926
Fees-Fees Account	-	82,402	82,402
Bond Forfeiture and Bond Fees	225,879	-	225,879
Asset Forfeiture Revenues	121,387	-	121,387
Other Revenues	223,004	-	223,004
Interest Income & Earnings	56,143	18,389	74,532
Total Revenues	\$ 2,032,935	\$ 8,923,587	\$ 10,956,522
Expenditures			
General Government: Judicial			
Salaries and Related Benefits	\$ -	\$ 9,225,195	\$ 9,225,195
Professional Services	114,450	163,526	277,976
Materials and Supplies			-
Automobile	314,568		314,568
Office	89,360	47,221	136,581
Travel	26	11,483	11,509
Other Expenditures	638,821	142,019	780,840
Debt Service	3,828	-	3,828
Capital Expenditures	193,497	-	193,497
Total Expenditures	\$ 1,354,550	\$ 9,589,444	\$ 10,943,994
Excess Revenues Over Expenditures	\$ 678,385	\$ (665,857)	\$ 12,528
Other Financing Sources (Uses)			
Operating Transfers In	506,499	1,182,731	1,689,230
Operating Transfers Out	(1,144,939)	(544,291)	(1,689,230)
Total Other Financing Sources (Uses)	(638,440)	638,440	-
Net Change in Fund Balance	\$ 39,945	\$ (27,417)	\$ 12,528
Fund Balance at Beginning of Year	1,799,476	1,979,096	3,778,572
Fund Balance at End of Year	\$ 1,839,421	\$ 1,951,679	\$ 3,791,100

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

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2023

Net Change in Fund Balances- Total Governmental Funds **\$ 12,528**

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 these assets is depreciated over their estimated useful lives:

Capital Expenditures	193,497	
Depreciation Expense	<u>(131,720)</u>	61,777

Repayment of debt principal is an expenditure in the governmental fund; however in the statement of net position, the repayment reduces long-term liabilities.

Financing Leases	3,828	
Enterprise Leases	<u>125,902</u>	129,730

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:

Auto Lease Expense	(16,589)	
Compensated Absences	10,667	
Pension Expense	<u>(1,469,022)</u>	(1,474,944)

Non employer contributions received from the District Attorney's Retirement Fund are reported in the statement of activities but not in the revenues of the governmental funds. 511,582

Change in Net Position of Governmental Activities **\$ (759,326)**

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
Statement of Fiduciary Net Position
December 31, 2023

	<u>Asset Forfeiture</u>	<u>Bond Forfeiture</u>	<u>Restitution</u>	<u>Total</u>
ASSETS				
Cash & Cash Equivalents	\$ 1,187,417	\$ 21,317	\$ 120,327	\$ 1,329,061
Total Assets	<u>1,187,417</u>	<u>21,317</u>	<u>120,327</u>	<u>1,329,061</u>
LIABILITIES				
Due to others	1,120,565	12,381	1,124	1,134,070
Total Fiduciary Net Position	<u>\$ 1,120,565</u>	<u>\$ 12,381</u>	<u>\$ 1,124</u>	<u>\$ 1,134,070</u>
NET POSITION				
Restricted for others	66,852	8,936	119,203	194,991
Total Net Position	<u>\$ 66,852</u>	<u>\$ 8,936</u>	<u>\$ 119,203</u>	<u>\$ 194,991</u>

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

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
Statement of Changes in Fiduciary Net Position
December 31, 2023

	<u>Asset Forfeiture</u>	<u>Bond Forfeiture</u>	<u>Restitution</u>	<u>Custodial Funds</u>
ADDITIONS				
Restitution	\$ -	\$ -	\$ 593,971	\$ 593,971
Cash Seizures	1,196,434	-	-	1,196,434
Bond Forfeitures	-	95,834	-	95,834
Interest	2,895	18	57	2,970
Total Additions	\$ 1,199,329	\$ 95,852	\$ 594,028	\$ 1,889,209
DEDUCTIONS				
Restitution	\$ -	\$ -	\$ 552,453	\$ 552,453
Cash Seizures	802,298	-	-	802,298
Bond Forfeitures	-	87,654	-	87,654
Interest	703	-	-	703
Total Deductions	\$ 803,001	\$ 87,654	\$ 552,453	\$ 1,443,108
Net increase in fiduciary net position	\$ 396,328	\$ 8,198	\$ 41,575	\$ 446,101
Net Position-beginning	791,089	13,119	78,752	882,960
Net Position-ending	\$ 1,187,417	\$ 21,317	\$ 120,327	\$ 1,329,061

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

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Twenty-Second Judicial District (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 legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Second Judicial District of Louisiana encompasses the parishes of St. Tammany and Washington.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney is a part of the district court system of the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system.

The District Attorney includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the District Attorney as an independently elected official. As an independently elected official, the District Attorney is solely responsible for the operations of his office, including fiscal and management responsibilities. Other than certain operating expenditures of the District Attorney's office that are paid or provided by the Parish Councils of St. Tammany and Washington Parishes, as required by Louisiana law, the District Attorney is financially independent. The accompanying financial statements present financial information only on the funds maintained by the District Attorney of the Twenty-Second Judicial District.

B. Basis of Presentation

The accompanying basic financial statements of the District Attorney have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The District Attorney's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

C. Government Wide Financial Statements

The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity, which are considered governmental activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
C. Government Wide Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function the District Attorney's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. Inter fund activity, if any, is eliminated in the statement of activities.

Fiduciary activities are not included in government wide financial statements.

D. Fund Financial Statements

The District Attorney uses funds to maintain its financial records during the year. Fund financial statements are designed to demonstrate legal compliance and to aid management by segregating transactions related 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 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:

1. General Fund - The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent of the fines collected and bonds forfeited be remitted to the District Attorney to defray the necessary expenditures of his office. Additionally, the General Fund of the District Attorney consists of the following:
 - \$10 Court Cost - Act 293 - These fees are collected in compliance with Louisiana Revised Statute 16:16. In all criminal cases over which the District Attorney has jurisdiction, a nonrefundable sum of ten dollars is taxed as costs against every defendant who is convicted after trial, pleads guilty, or who forfeits a bond. This fee is in addition to all other fines, costs, or forfeitures lawfully imposed. The sums collected are to be used at the discretion of the District Attorney in defraying the expenditures of his office.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

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

D. Fund Financial Statements *(continued)*

Governmental Funds *(continued)*

- \$10 Court Cost - Act 1443 - These fees are collected in compliance with Louisiana Revised Statute 16:16.1. In all criminal cases over which the District Attorney has jurisdiction, a nonrefundable sum of ten dollars is taxed as costs against every defendant who is convicted after trial, pleads guilty or nolo contendere, or who forfeits a bond. This fee is in addition to all other fines, costs, or forfeitures lawfully imposed. The sums collected are to be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Commercial Bond Forfeitures - These fees are collected in compliance with Louisiana Revised Statute 15:571.11A(2)(a), which provides that all fines and forfeitures imposed by the district courts and collected by the sheriff or executive officer of the court for violations of municipal ordinances be disbursed. Of the total disbursement, twelve percent shall be remitted to the Office of the District Attorney, which may be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Criminal Bail Bond Fees - These fees are collected in compliance with Louisiana Revised Statute 22:822A.(1), which provides that there shall be a fee on premiums for all commercial surety underwriters who write criminal bail bonds in the State of Louisiana. That fee shall be equal to two dollars for each one hundred dollars worth of liability underwritten by the commercial surety. Of these fees, the District Attorney's Office shall receive twenty-two percent, which is to be used for operating expenses per Louisiana Revised Statute 22:822B(2)(c).
- \$7 Criminal Bond Fees - These fees are collected in compliance with Louisiana Revised Statute 15:85.1A(1), which provides that a fee of fifteen dollars shall be collected by the sheriff's office from every person seeking release by means of a criminal bond, or from their designated representative. Of the total fee, seven dollars shall be remitted to the Office of the District Attorney, which may be used at the discretion of the District Attorney in defraying the expenditures of his office per Louisiana Revised Statute 15:85.1A(2)(a).
- Special Asset Forfeitures - These fees are collected in compliance with Louisiana Revised Statute 40:2616(B), which provides that all monies obtained in relation to the seizure and forfeiture from illegal drugs shall be deposited in this fund. Of these monies, the District Attorney's Office shall receive twenty percent after the payments made for satisfaction of any bona fide security interest or lien, and after the payment of all proper expenses of the proceedings for forfeiture and

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

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

D. Fund Financial Statements *(continued)*

Governmental Funds *(continued)*

sale. This twenty percent shall be paid into the fund to be used for public purposes, including, but not limited to, use for prosecution, rewards, support, and continuing legal education.

- **Suspended Driver's License Fee** - These fees are collected in compliance with Louisiana Revised Statute 32:57.1, which provides that a fee of fifty dollars shall be collected to defray the costs of the prosecuting authority in handling such renewal and issuance of the suspended driver's license.
 - **Costs for Prosecution Expenses Fee** - These fees are collected in compliance with Louisiana Revised Statute 16:16.2, which provides that a fee of five dollars be taxed against every defendant who is convicted after trial, pleads guilty or nolo contendere, or who forfeits a bond in addition to the fee of ten dollars collected and remitted to the District Attorney in compliance with Louisiana Revised Statute 16.16.1.
2. **Special Revenue Fund** - This fund is used to account for fees, fines, and costs collected for a specified purpose including the diversionary program operated by the District Attorney or grant amounts received to be used for specific purposes that deal with the prosecution. The special revenue fund of the District Attorney also consists of the following:
- **Title IV-D 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 family and child support.
 - **Worthless Checks/Diversion Collection Fee Fund** - Consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives from the principal to the offense, a prescribed amount upon collection of a worthless check or fees from diverted cases. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

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

D. Fund Financial Statements *(continued)*

Fiduciary Funds

3. Custodial Funds – Fiduciary fund reporting focuses on resources held for other parties. The only funds accounted for in this category by the District Attorney are custodial funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the full accrual basis of accounting. The following custodial funds are utilized by the District Attorney:
- The Asset Forfeiture Fund is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
 - The Bond Forfeiture Fund is used as a depository for bonds forfeited to the District Attorney's office. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
 - The Restitution Fund is used as a depository for funds to be distributed to those harmed by receiving worthless checks or for restitution in criminal cases.

E. Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The amounts reflected in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included in the statement of net position, and the statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred. The effect of inter-fund transactions has been removed from these columns.

Governmental and Agency Fund financial statements are reported using the current financial resources measurement focus and are accounted for using 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

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

revenues as available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred.

Transfers between funds that are not expected to be repaid are accounted for as Other Financing Sources.

F. Budgets

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

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

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law, or any other state of the United States, or under the laws of the United States.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District Attorney maintains a threshold level of \$5,000 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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (continued)

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:

<u>Description</u>	<u>Estimated Lives</u>
Automobile	5 Years
Leasehold Improvements	15 Years
Equipment, Furniture & Fixtures	5-10 Years
Software	3 Years

I. Equity Classifications

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
2. *Restricted* - This component of net position consists of assets that have constraints imposed by law or through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District Attorney considers restricted funds to have been spent first.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Non-spendable* - Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
2. *Restricted* - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by granters, creditors, or citizens.
3. *Committed* - Amounts that can be used only for specific purposes determined by a formal action of the District Attorney. The District Attorney is the highest level of decision making authority at the District Attorney's office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District Attorney.
4. *Assigned* - Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Equity Classifications (continued)

5. *Unassigned* - All amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District Attorney considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District Attorney considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Attorney has provided otherwise in his commitment or assignment actions.

K. Inter-fund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transactions are reported as transfers. Inter-fund receivables and payables between funds within governmental activities, if any, are eliminated in the statement of net position.

L. Compensated Absences

The District Attorney adopted a policy for vacation leave which all allows it to be earned based on the employee type and number of years in service. For nonexempt employees, up to 172.5 hours can be awarded in a year and up to 225 can be accrued and carried over to the next year. For exempt employees, up to 112.5 hours can be awarded per year and up to 150 hours can be accrued and carried over to the next year. Upon termination, both types of employees can be paid for their unused vacation time. Under the leave policy adopted, accrual of unused vacation leave is recognized in the financial statements; however, accrual of unused sick leave is not recognized since the amount accumulated lapses upon termination.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana District Attorneys' Retirement System (DARS) and the Parochial Employees' Retirement System (PERS) and additions to/ deductions from the fiduciary net position, have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
N. Estimates (continued)

statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. New Accounting Standards

GASB 96 Subscription Based Information Technology- This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

This standard was evaluated for the District Attorney’s office and as a result, there were no effects for the fiscal year ending December 31, 2023.

Note 2. CASH AND CASH EQUIVALENTS

Under state law, the District Attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana. The District Attorney may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 2023, the District Attorney had cash and cash equivalents in demand deposits (book balances) totaling \$2,171,120 consisting of \$842,059 in governmental balances and \$1,329,061 in fiduciary funds.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Attorney’s deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2023, bank balances in the amount of \$2,230,735 were as follows:

Bank Balances	\$2,230,735
Federal Deposit Insurance	1,311,988
Pledged Securities	<u>918,747</u>
Total	<u>\$2,230,735</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

Note 2. CASH AND CASH EQUIVALENTS (continued)

Deposits in the amount of \$918,747 were exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank, which are held in the name of the pledging institution's trust department or agent that is mutually acceptable to the District Attorney and the fiscal agent bank.

Note 3. INVESTMENTS

Investments of \$1,286,446 at December 31, 2023 are in the Louisiana Asset Management Pool, Inc. (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 53 days as of December 31, 2023.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS**

Note 3. INVESTMENTS (continued)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 1-800-249-5267.

Note 4. RECEIVABLES

The following is a summary of accounts receivable, which management believes are fully collectible at December 31, 2023:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Fees, Fines, and Charges for Services	\$77,459	\$0	\$77,459
Grants and Intergovernmental Revenues	282,722	715,876	998,598
Due from Custodial Funds		1,175	1,175
Due from Outside Parties	110,468	414,737	525,205
TOTAL	<u>\$470,649</u>	<u>\$1,131,788</u>	<u>\$1,602,437</u>

The receivable due from outside parties is not expected to be collected within one year.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

Note 5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets being depreciated:				
Improvements	\$136,790	\$0	0	\$136,790
Equipment, Furniture, & Fixtures	640,680	193,497	0	834,177
Financing Lease Equip.	89,637	0	0	89,637
Right to Use Vehicles	382,993	279,118	(307,582)	354,529
Software	106,326	0	0	106,326
Total Capital Assets being depreciated	\$1,356,426	\$472,615	(\$307,582)	\$1,521,459
Less Accumulated Depreciation:				
Improvements	(\$124,521)	(\$2,062)	\$0	(\$126,583)
Equipment, Furniture, & Fixtures	(620,557)	(13,080)		(633,637)
Financing Lease Equip.	(85,808)	(3,829)		(89,637)
Right to Use Vehicles	(264,675)	(111,116)	299,386	(76,405)
Software	(102,287)	(1,633)		(103,920)
Total Accumulated Depreciation	(\$1,197,848)	(\$131,720)	\$299,386	(\$1,030,182)
Total Capital Assets, Net	<u>\$158,578</u>	<u>\$340,895</u>	<u>(\$8,196)</u>	<u>\$491,277</u>

Accumulated amortization for capital lease equipment and the enterprise lease vehicles is included in the accumulated depreciation for all capital assets.

Depreciation expense for the fiscal year ending December 31, 2023 is \$136,311. Other adjustments were made to accumulated depreciation to reflect the termination of leases and the trade in of those leased vehicles.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 6. PENSION PLANS

The District Attorney participates in two cost-sharing, multiple employer, public employees' retirement systems. The District Attorney and assistant district attorneys are members of the District Attorneys' Retirement System (DARS or the System). Other personnel of the District Attorney's office are members of the Parochial Employees' Retirement System of Louisiana, Plan A (PERS or the Parochial System). These retirement systems are cost-sharing, multiple employer, defined benefit pension plans which are administered by separate boards of trustees. The following are descriptions of the plans and their respective benefits:

1. Louisiana District Attorneys' Retirement System

The District Attorneys' Retirement System, State of Louisiana, is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established on the first day of August, 1956, and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys, assistant district attorneys in each parish, and employees of this retirement system and the Louisiana District Attorneys' Association. The total number of participating employers was 105 for the year ended June 30, 2023.

All persons who are district attorneys in the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 6. PENSION PLANS (continued)

1. Louisiana District Attorneys' Retirement System (continued)

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

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2023, the actual employer contribution rate was 9.5% and contributions to the plan totaled \$277,798.

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non employer contributions were recognized as revenue in the amount of \$473,156 during the year ended June 30, 2023 and excluded from pension expense.

2. Parochial Employees' Retirement System of Louisiana

Substantially all other employees of the District Attorney's Office are members of the Parochial Employees' Retirement System of Louisiana (PERS or the Parochial System), a cost-sharing, multiple employer defined benefit pension plan administered by a separate board of trustees. The Parochial System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All plan participants of the District Attorney are members of Plan A.

Benefits Provided Any member can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service
2. Age 55 with a minimum of twenty-five (25) years of creditable service
3. Age 60 with a minimum of ten (10) years of creditable service
4. Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

1. Age 55 with 30 years of creditable service
2. Age 62 with 10 years of creditable service
3. Age 67 with 7 years of creditable service

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 6. PENSION PLANS (continued)

2. Parochial Employees' Retirement System of Louisiana (continued)

The retirement allowance of any member shall consist of an amount equal to 3% of the member's final average compensation multiplied by their years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Employees who terminate with at least the amount of credited service stated previously, and who do not withdraw their employee contributions, may retire at the age specified previously and receive the benefit accrued to their date of termination. PERS also provides death and disability benefits. Benefits are established by state statute.

Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 11.50% and contributions to the plan totaled \$321,923.

The system also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. These additional sources of income are used as additional employer contributions are considered support from non employer contributing entities. For the year ended December 31, 2022, \$38,426 was recognized as revenue related to the non employer contributions to the system.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the District Attorney reported a liabilities of \$3,764,871 and \$1,587,179, respectively, for its proportionate share of DARS and PERS collective net pension liabilities. The collective net pension liabilities/assets of the plans were measured on June 30, 2023 and December 31, 2022, for DARS and PERS, respectively. The proportionate share of the net pension liabilities/assets were based on the District Attorney's long-term shares of contributions to the pension plans relative to the projected contributions of all employers, actuarially determined. At June 30, 2023, the proportion for DARS was 4.39%, which was an increase of 0.20% from the plan year ending June 30, 2022. At December 31, 2022, the proportion for PERS was 0.41%, which was an increase of 0.12% from the prior plan year.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 6. PENSION PLANS (continued)
Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended December 31, 2023, the District Attorney recognized pension expense of \$2,155,828. At December 31, 2023, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>DARS</u>	<u>PERS</u>	<u>TOTAL</u>	<u>DARS</u>	<u>PERS</u>	<u>TOTAL</u>
Difference between Experiences	\$234,249	\$58,681	\$292,930	\$124,360	\$174,867	\$299,227
Difference in Investment Earnings	433,401	1,675,544	2,108,945	0	0	0
Change of Assumptions	576,670	50,653	627,323	0	75,400	75,400
Changes in Proportion	588,723	60,871	649,594	3,980	1,844	5,824
Contributions Subsequent to the Measurement Date	179,929	367,585	547,514	0	0	0
TOTAL	<u>\$2,012,972</u>	<u>\$2,210,259</u>	<u>\$4,223,306</u>	<u>\$128,340</u>	<u>\$251,816</u>	<u>\$380,451</u>

In the year ended December 31, 2023, \$524,515 reported as deferred outflows of resources related to pensions resulting from the District Attorney's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

Year ended December 31:	<u>Amortization Amounts</u>		
	<u>DARS</u>	<u>PERS</u>	<u>TOTAL</u>
2024	\$564,136	\$57,999	\$622,135
2025	504,452	273,411	777,863
2026	799,491	509,859	1,309,350
2027	(161,973)	751,138	589,165
TOTAL	\$1,706,106	\$1,592,407	\$3,298,513

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 6. PENSION PLANS (continued)
Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

A summary of the actuarial methods and assumptions used in determining net pension liabilities is as follows:

	DARS	PERS
Valuation Date	June 30, 2023	December 31, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining Service	5 Years	4 Years
Investment Rate of Return	6.10%	6.40%
Inflation Rate	2.20%	2.30%
Projected Salary Increases	5%	4.75%,
Cost-of-Living Adjustments	Only those previously granted	Only those previously granted
Mortality	Pub- 2010 Public Retirement Plans Mortality Table for General Above-Median Retirees multiplied by 115% for current employees, retirees, and disabled retirees.	Pub- 2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP 2018 scale for annuitant and beneficiary mortality.

DARS Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 7.70%, for the year ended June 30, 2023.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 6. PENSION PLANS (continued)

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2023, were as follows:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	50.11%	10.66%	
Fixed Income	32.82%	3.81%	
Alternatives	16.90%	6.50%	
Cash	<u>0.20%</u>	2.31%	
Totals	<u>100.00%</u>		5.02%
Inflation			<u>2.68%</u>
Expected Arithmetic Nominal Return			<u>7.79%</u>

The discount rate used to measure the total pension liability was 6.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participated employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

PERS Investments

Changes in Assumptions:

Amounts reported in fiscal year ended December 31, 2022 for Parochial Employees' Retirement System reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for the PERS plan was 6.40% as of the valuation date December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing diversification. The resulting expected long-

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

**Note 6. PENSION PLANS (continued)
PERS Investments (continued)**

term rate of return is 7.70%, for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the Parochial System's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	<u>2%</u>	<u>0.12%</u>
Totals	<u>100%</u>	5.60%
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal of Return		<u>7.70%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January, 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Changes in Discount Rates

The following presents the net pension liability of the District Attorney using the discount rate of 6.10% and 6.40% for DARS and PERS, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.10%/5.40%	Current Discount Rate 6.10%/6.40%	1% Increase 7.10%/7.40%
District Attorney's Proportionate Share of the DARS Net Pension Liability	\$7,035,897	\$3,764,871	\$1,020,740
District Attorney's Proportionate Share of the PERS Net Pension Liability	\$3,925,130	\$1,587,179	(\$372,906)

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 7. GOVERNMENTAL ACTIVITIES LONG-TERM OBLIGATIONS

Long-term liability activity of governmental activities for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Financing Lease	\$4,112	\$0	(\$3,828)	\$284	\$284
Right to Use Vehicle Lease	121,139	287,505	(125,901)	282,743	105,496
Compensated Absences Payable	433,301	0	(10,667)	422,635	0
Net Pension Liability (Asset)	3,149,594	2,955,563	(753,107)	5,352,050	0
Total	<u>\$3,708,146</u>	<u>\$3,243,068</u>	<u>(\$893,503)</u>	<u>\$6,057,712</u>	<u>\$105,780</u>

Note 8. FINANCING LEASES

The District Attorney records copiers under financing leases as an asset and an obligation in the accompanying financial statements.

Beginning Balance, 12/31/22	\$4,112
Additions	0
Reductions	<u>(3,828)</u>
Ending Balance, 12/31/23	<u>\$284</u>

The following is a schedule of future minimum lease payments under financing leases, together with the present value of the net minimum lease payments as of December 31, 2023:

Years ending December 31, 2024	<u>\$369</u>
Total Minimum Lease Payments	369
Amounts Representing Interest & Insurance	(85)
Present Value of Minimum Lease Payments	<u>\$284</u>

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 9. ENTERPRISE VEHICLE LEASES

The District Attorney currently leases 20 vehicles from Enterprise. Each vehicle has a lease term of 3-4 years with the option to renew. The vehicles ownership never transfers to the District Attorney's office. At the end of the lease term, the District Attorney's office typically turns in the vehicle and leases a new one.

As of December 31, 2023, the value of the lease liability was \$282,743. The leases have a stated interest rate of 7.8%. During the year, 15 vehicles were turned in and new ones obtained. Gains on these vehicles were recognized in the amount of \$206,378.

The following is a schedule of future minimum lease payments under financing leases, together with the present value of the net minimum lease payments as of December 31, 2023:

Years ending December 31,	Principal	Interest	Total
2024	\$97,267	\$8,229	\$105,496
2025	93,450	7,906	101,356
2026	63,553	5,376	68,929
2027	6,442	545	6,987
Tota Minimum Lease Payments			\$283,743

Note 10. CURRENT YEAR ADOPTION OF NET ACCOUNTING STANDARD

The District Attorney's office implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. This standard is intended to streamline the accounting for these types of arrangements similar to those arrangements listed under GASB 87, *Leases*. The adoption of this standard had no impact on the District Attorney's office.

Note 11. INTER-FUND TRANSFERS

Operating transfers for the year ended December 31, 2023, were as follows:

Fund	General Fund	Special Revenue Fund
Operating Transfers In	\$506,499	\$1,182,731
Operating Transfers Out	<u>(\$1,144,939)</u>	<u>(544,291)</u>
TOTAL	<u>(\$638,440)</u>	<u>\$638,440</u>

Inter-fund transfers occur from the General Fund to Special Revenue Fund to fund payroll. Transfers from the Special Revenue Fund to the General Fund are reimbursements from St. Tammany Parish and Washington Parish to cover general operating costs of the District Attorney's office.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

Note 12. EXPENDITURES FOR THE DISTRICT ATTORNEY NOT PREVIOUSLY INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the funds of the parish governments or directly by the State. The parish governments pay certain salaries, or portions thereof, and employer contributions of the District Attorney and his staff.

Note 13. COOPERATIVE ENDEAVOR AGREEMENTS

The District Attorney's office entered into cooperative endeavor agreements with St. Tammany and Washington Parish for the reimbursement of salaries and related benefits for the employees of the office. Those reimbursements are reflected in the intergovernmental revenues section of the financial statements.

Note 14. LITIGATION AND CLAIMS

During the fiscal year, the St. Tammany Parish Government filed a lawsuit with the District Attorney's office, along with several other local governments regarding mandated expenses. Louisiana law requires St. Tammany Parish Government to budget for the mandatory statutory expenditures set forth in LA RS 16.6 before budgeting any other non statutory expenditures.

During the fiscal year ending December 31, 2023, costs pertaining to this lawsuit totaled \$121,537 that were paid by the District Attorney's office directly. At this time, the lawsuit is still ongoing and the outcome has not been determined.

Note 15. RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered, in part, by commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District Attorney. Settlements have not exceeded insurance coverage in each of the past three years.

Note 16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 17, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual
General Fund
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Program Revenues				
Intergovernmental Revenues	\$ 620,000	\$ 752,228	\$ 802,950	\$ 50,722
Commissions on Fines and Forfeitures	565,500	597,119	603,572	6,453
Bond Forfeiture and Bond Fees	200,000	222,466	225,879	3,413
Asset Forfeiture Revenues	60,000	121,387	121,387	0
Other Revenues	16,500	16,626	223,004	206,378
Interest Income & Earnings	2,000	56,143	56,143	(0)
Total Revenues	<u>\$ 1,464,000</u>	<u>\$ 1,765,969</u>	<u>\$ 2,032,935</u>	<u>\$ 266,965</u>
Expenditures				
General Government: Judicial				
Professional Services	\$ 110,000	\$ 114,450	\$ 114,450	\$ -
Materials and Supplies				
Automobile	200,200	218,768	314,568	(95,800)
Office	62,000	88,332	89,360	(1,028)
Travel	600	26	26	-
Other Expenditures	730,300	815,083	638,821	176,262
Debt Service	-	-	3,828	(3,828)
Capital Expenditures	-	5,993	193,497	(187,504)
Total Expenditures	<u>\$ 1,103,100</u>	<u>\$ 1,242,652</u>	<u>\$ 1,354,550</u>	<u>\$ (111,899)</u>
Excess Revenues Over Expenditures	<u>\$ 360,900</u>	<u>\$ 523,317</u>	<u>\$ 678,385</u>	<u>\$ 155,066</u>
Other Financing Sources (Uses)				
Operating Transfers In	\$ -	\$ -	\$ 506,499	\$ 506,499
Operating Transfers Out	(900,000)	(638,440)	(1,144,939)	(506,499)
Total Other Financing Sources (Uses)	<u>\$ (900,000)</u>	<u>\$ (638,440)</u>	<u>\$ (638,440)</u>	<u>\$ (0)</u>
Net Change in Fund Balance	\$ (539,100)	\$ (115,123)	\$ 39,945	\$ 155,066
Fund Balance at Beginning of Year	<u>1,684,777</u>	<u>1,799,476</u>	<u>1,799,476</u>	
Fund Balance at End of Year	<u>\$ 1,145,677</u>	<u>\$ 1,684,353</u>	<u>\$ 1,839,421</u>	

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual
 Special Revenue Fund
 For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues				
Program Revenues				
Grants	\$ 1,392,700	\$ 1,456,303	\$ 1,549,902	\$ 93,599
Intergovernmental Revenues	13,000	24,772	6,663,968	6,639,196
Diversionary Program	600,000	608,926	608,926	(0)
Fees-Fees Account	69,060	95,909	82,402	(13,507)
Other Revenues	-	-	-	-
Interest Income & Earnings	100	18,381	18,389	8
Total Revenues	<u>\$ 2,074,860</u>	<u>\$ 2,204,291</u>	<u>\$ 8,923,587</u>	<u>\$ 6,719,296</u>
Expenditures				
General Government: Judicial				
Salaries and Related Benefits	\$ 3,170,000	\$ 3,066,716	\$ 9,225,195	\$ (6,158,479)
Professional Services	75,000	163,526	163,526	0
Materials and Supplies			-	0
Automobile	100	159	-	159
Office	55,000	47,221	47,221	(0)
Travel	12,000	11,483	11,483	(0)
Other Expenditures	104,900	108,836	142,019	(33,183)
Debt Service	-	-	-	0
Capital Expenditures	-	-	-	0
Total Expenditures	<u>\$ 3,417,000</u>	<u>\$ 3,397,941</u>	<u>\$ 9,589,444</u>	<u>\$ (6,191,503)</u>
Excess Revenues Over Expenditures	<u>\$ (1,342,140)</u>	<u>\$ (1,193,650)</u>	<u>\$ (665,857)</u>	<u>\$ 527,793</u>
Other Financing Sources (Uses)				
Operating Transfers In	\$ 900,000	\$ 680,839	\$ 1,182,731	\$ 501,892
Operating Transfers Out	-	-	(544,341)	544,341
Total Other Financing Sources (Uses)	<u>\$ 900,000</u>	<u>\$ 680,839</u>	<u>\$ 638,390</u>	<u>\$ 1,046,233</u>
Net Change in Fund Balance	<u>\$ (442,140)</u>	<u>\$ (512,811)</u>	<u>\$ (27,467)</u>	<u>\$ (518,440)</u>
Fund Balance at Beginning of Year	<u>\$ 2,476,609</u>	<u>\$ 1,979,096</u>	<u>\$ 1,979,096</u>	
Fund Balance at End of Year	<u>\$ 2,034,469</u>	<u>\$ 1,466,285</u>	<u>\$ 1,951,629</u>	

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Schedule of the District Attorney's Proportionate Share of Net Pension Liability
 For the Year Ended December 31, 2023

Plan	Year	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
DARS	2023	4.39%	3,764,872	2,924,181	128.75%	85.85%
	2022	4.19%	4,517,979	2,713,957	166.47%	81.65%
	2021	1.57%	280,027	985,893	28.40%	96.79%
	2020	1.55%	1,224,453	958,752	127.71%	84.86%
	2019	1.58%	507,570	934,419	54.32%	93.13%
	2018	1.56%	502,924	938,277	53.60%	92.92%
	2017	1.53%	413,147	1,002,021	41.23%	93.57%
	2016	1.73%	330,192	916,190	36.04%	95.00%
	2015	1.55%	83,537	992,163	8.40%	98.60%
PERS	2023	0.41%	1,587,172	2,799,333	56.70%	91.74%
	2022	0.29%	(1,368,391)	1,939,973	-70.54%	110.46%
	2021	0.17%	(289,863)	1,104,141	-26.25%	104.00%
	2020	0.16%	7,439	996,692	0.75%	99.88%
	2019	0.17%	735,130	1,002,692	73.32%	88.86%
	2018	0.15%	(113,125)	1,014,380	-11.15%	101.97%
	2017	0.15%	318,753	941,227	33.87%	94.00%
	2016	0.13%	344,282	917,880	37.51%	92.00%
	2015	0.14%	37,554	744,646	5.00%	99.10%

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

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Schedule of the District Attorney's Contributions
 For the Year Ended December 31, 2023

Plan	Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contributions Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
DARS	2023	322,001	322,001	-	2,994,895	10.75%
	2022	263,066	263,066	-	2,769,115	9.50%
	2021	149,953	149,953	-	1,860,207	8.06%
	2020	40,043	40,043	-	1,001,084	4.00%
	2019	24,245	24,245	-	934,419	2.59%
	2018	5,616	5,616	-	938,277	0.60%
	2017	-	-	-	1,002,021	0.00%
	2016	15,402	15,402	-	916,190	1.68%
	2015	51,241	51,241	-	992,163	5.16%
PERS	2023	367,585	367,585	-	3,196,390	11.50%
	2022	321,923	321,923	-	2,799,333	11.50%
	2021	237,647	237,647	-	1,939,973	12.25%
	2020	135,257	135,257	-	1,104,141	12.25%
	2019	115,310	115,310	-	1,002,692	11.50%
	2018	117,097	117,097	-	1,014,380	11.50%
	2017	117,687	117,687	-	941,227	12.50%
	2016	119,324	119,324	-	917,880	13.00%
	2015	107,974	107,974	-	744,646	14.50%

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

Budget and Budgetary Accounting

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

1. Administration prepares a proposed budget and is made available for public inspection no later than 15 days prior to the beginning of the fiscal year in accordance with state law.
2. The District Attorney is responsible for adopting the budgets in an open meeting before the end of the fiscal year in accordance with state law.
3. A budget is prepared for both general and special revenue funds based on the following guidelines:
 - a. Revenue projections: historical data and known trends
 - b. Expenditure projections: actual costs and reasonable estimates
 - c. Fund Balance: maintain a minimum general fund balance of between 5% and 15% of operating revenues or no less than 1 to 2 months of operating expenditures
4. During the fiscal year, administration prepares monthly budget to actual comparisons for the District Attorney to review and amend if there is an unfavorable variance of 5% or greater.
5. If no amendment is made during the fiscal year, it is the District Attorney's policy to amend the budget after the end of the fiscal to match actual numbers before audit adjustments, if any, are made.
6. The budgets are prepared on the cash basis of accounting and compared to accrual basis financial statements.

Variances in Budget Comparison schedules

The budgetary comparison schedule for the general and special revenue fund showed large variances of budgeted vs. actual revenues and expenditures. The net of these two variances didn't not exceed 5%. The general fund variance resulted from Enterprise vehicle lease terminations at the end of the year and the related gains on those vehicles. The cause of the variances in the special revenue fund are a result of the reimbursements paid by the St. Tammany and Washington Parish governments for their portions of the payroll costs of the DA's employees being booked as revenue and the full amounts of the District Attorney's payroll and related benefits being booked as expense. The prepared budget netted the two amounts together.

Pension Plans

For the District Attorneys' Retirement System the contribution rate increased to 12% in July 2023.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
St. Tammany and Washington Parishes, Louisiana
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

For the Parochial Employees' Retirement System, the contribution rate remained 11.5% for the year ended December 31, 2023.

SCHEDULE REQUIRED BY STATE LAW LSA RS 24:513A(1)(a)(3)

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended December 31, 2023

Agency Head:
 Warren Montgomery, District Attorney
 1/1/2023 - 11/10/23

Purpose	District Attorney Office (Audited)	State of Louisiana (Unaudited)	TOTAL
Salary	\$ 144,664	\$ 47,635	\$ 192,300
Benefits-Insurance	16,368	-	16,368
Benefits-Retirement	15,440	5,054	20,494
Car Allowance	10,450	-	10,450
Reimbursements	1,265	-	1,265
TOTAL	\$ 188,189	\$ 52,690	\$ 240,879

Agency Head:
 J Colin Sims, Interim District Attorney
 11/11/23-12/31/23

Purpose	District Attorney Office (Audited)	State of Louisiana (Unaudited)	TOTAL
Salary	\$ 14,635	\$ 8,231	\$ 22,866
Benefits-Insurance	2,279	-	2,279
Benefits-Retirement	1,756	988	2,744
Car Allowance	950	-	950
Reimbursements	0	-	-
TOTAL	\$ 19,621	\$ 9,218	\$ 28,840

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Justice System Funding Schedule-Receiving
 For the Year Ended 12/31/2023

This schedule was prescribed by the Legislative Auditor's Office as required by Act 87 of the 2020 Regular Legislative Session.

	First Six Month Period Ended 06/30/2023	Second Six Month Period Ended 12/31/2023
Bond Fees		
<i>St. Tammany Parish Sheriff's Office / Bond Commission Fees</i>	\$ 71,621	\$ 70,650
<i>Washington Parish Sheriff's Office / Bond Commission Fees</i>	22,131	31,498
Criminal Court Fees		
<i>Bogalusa City Court / Court Fines</i>	1,661	847
<i>Bogalusa City Court/ Release of Criminal Bonds Court Fees</i>	-	-
<i>Bogalusa City Court/ Summary Judgement Court Costs</i>	1,877	1,868
<i>Slidell City Court / Court Fines</i>	10,844	19,593
<i>Slidell City Court/ Summary Judgement Court Costs</i>	13,793	28,039
<i>St. Tammany Parish Sheriff's Office /Traffic Fines</i>	60,494	60,821
<i>St. Tammany Parsh Sheriff's Office /Release of Criminal Bonds Court Fees</i>	16,590	16,784
<i>St. Tammany Parish Sheriff's Office / Summary Judgement Court Costs</i>	149,653	158,716
<i>St. Tammany Parish Sheriff's Office /Suspended Driver's License Fees</i>	8,525	11,225
<i>Washington Parish Sheriff's Office / Traffic Fines</i>	6,255	5,644
 <i>Washington Parish Sheriff's Office / Release of Criminal Bonds Court Fees</i>	 3,115	 2,954
<i>Washington Parish Sheriff's Office / Summary Judgement Court Costs</i>	10,549	7,275
 Total Receipts	 \$ 377,107	 \$ 415,915
 Ending Balance of Amounts Assessed but Not Received	 -	 -

This schedule was completed on the cash basis of accounting which differs from the financial statements of the entity, which is presented on the accrual basis of accounting.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Justice System Funding Schedule-Collecting/Disbursing
 For the Year Ended 12/31/2023

This schedule was prescribed by the Legislative Auditor's Office as required by Act 87 of the 2020 Regular Legislative Session.

	First Six Month Period Ended 06/30/2023	Second Six Month Period Ended 12/31/2023
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 288,821	\$ 921,536
Add: Collections		
Asset Forfeitures	839,165	338,856
Bond Forfeitures	43,593	52,240
Other: Worthless Checks/Fees	72,334	99,500
Pre-Trial Diversion Program Fees	315,595	293,331
Restitution	253,317	179,284
Interest Earnings on Collected Balances	167	110
Subtotal Collections	\$ 1,524,171	\$ 963,321
Less: Disbursements To Governments & Nonprofits:		
Bogalusa Police Department	\$ 47,315	\$ 5,864
Covington Police Department	16,393	5,682
Criminal Court Fund St. Tammany Parish-Asset Forfeitures	24,067	74,502
Criminal Court Fund St. Tammany Parish-Bond Forfeitures	-	21,044
Criminal Court Fund Washington Parish- Asset Forfeitures	17,389	4,076
DART	2,094	4,260
Exploited Children's Special Fund	6,713	-
Indigent Defender Board	-	17,560
Louisiana State Police- Diversion Fees	4,650	4,975
Louisiana State Police- Asset Forfeitures	1,765	-
Louisiana Dept. of Treasury	500	-
Pearl River Police Department	2,381	-
Slidell Clerk of Court	-	725
Slidell Marshall's Office	-	725
Slidell Police Department	5,061	3,071
St. Tammany Parish Clerk of Court- Asset Forfeitures	3,910	2,680
St. Tammany Parish Clerk of Court- Bond Forfeitures	50	529
St. Tammany Parish Government	350	175
St. Tammany Sheriff's Office- Asset Forfeitures	48,366	206,111
St. Tammany Sheriff's Office- Bond Forfeitures	-	21,044
Washington Parish Clerk of Court- Asset Forfeitures	870	1,217
Washington Parish Clerk of Court- Bond Forfeitures	-	-
Washington Parish Sheriff's Office- Asset Forfeitures	3,089	6,363
Washington Parish Sheriff's Office- Bond Forfeitures	-	-
Less: Amounts Retained by Collecting Agency		
Asset Forfeitures: District Attorney	41,843	75,697
Bond Forfeitures: District Attorney	-	25,977
Diversion: District Attorney	310,945	288,356
Worthless Checks: District Attorney	13,501	17,437

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Justice System Funding Schedule-Collecting/Disbursing
 For the Year Ended 12/31/2023

This schedule was prescribed by the Legislative Auditor's Office as required by Act 87 of the 2020 Regular Legislative Session.

	First Six Month Period Ended 06/30/2023	Second Six Month Period Ended 12/31/2023
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Asset Forfeitures: Payments To Individuals	26,894	153,954
Restitution: Payments to Individuals	253,946	137,228
Other: Worthless checks/Fees: Multiple Vendors	59,364	81,136
Total Disbursements/Retainage	\$ 891,456	\$ 1,160,388
 Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 921,536	\$ 724,469
 Ending Balance of "Partial Payments" Collected but not Disbursed	 -	 -

This schedule was completed on the cash basis of accounting which differs from the financial statements of the entity, which is presented on the accrual basis of accounting.

ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable J. Collin Sims
District Attorney of the Twenty-Second Judicial District
St. Tammany and Washington Parishes, Louisiana

Opinion on Each Major Program

I have audited the District Attorney of the Twenty-Second Judicial District (the District Attorney) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District Attorney's major federal program for the year ended December 31, 2023. The District Attorney's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the District Attorney complied, in material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District Attorney and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the District Attorney's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District Attorney's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District Attorney's compliance based on my audit. Reasonable assurance is a high level

of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District Attorney's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District Attorney's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of the District Attorney's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Robert A. Neilson". The signature is written in a cursive style with a large initial 'R'.

Robert A. Neilson, CPA

Bogalusa, Louisiana

June 27, 2024

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
 St. Tammany and Washington Parishes, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended 12/31/2023

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
United States Department of Health and Human Services			
Passed through the Louisiana State Department of Social Services Child Support Enforcement Title IV-D	93.563	CFMS 722298	\$ 1,252,059
Total United States Department of Health and Human Services			<u>1,252,059</u>
United States Department of Justice			
Passed through the Louisiana Commission on Law Enforcement			
Crime Victim Assistance	16.575	2021-VA-6859	16,961
Crime Victim Assistance	16.575	2020-VA-6513	9,755
Crime Victim Assistance	16.575	2021-VA-6913	53,974
Crime Victim Assistance	16.575	2020-VA-6489	8,619
Crime Victim Assistance	16.575	2020-VA-04-6499	7,801
Crime Victim Assistance (Elder Abuse)	16.575	2021-VA-04-6862	21,911
Domestic Violence Protection	16.588	2022-WF-02-7587	25,763
Total Passed through Louisiana Commission of Law Enforcement			<u>144,784</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-DJ-02-7200	18,808
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-DJ-02-7180	18,826
Total United States Department of Justice			<u>182,418</u>
TOTAL			<u><u>\$ 1,434,477</u></u>

Notes to the Schedule of Expenditures of Federal Awards

1. The accompanying schedule of expenditures of federal awards includes the federal award activity of the District Attorney of the 22nd Judicial District under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District Attorney of the 22nd Judicial District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District Attorney of the 22nd Judicial District.

2. The schedule of expenditures of federal awards was prepared on the accrual basis of accounting.

3. The District Attorney of the 22nd Judicial District has elected not to use the 10% de minimis indirect cost rate for the remaining programs.

4. There were no awards passed through to subrecipients.

5. The following is a reconciliation of total federal grant expenditures to the grant revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances:

Total Federal Expenditures	\$ 1,434,477
Revenues recognized in prior year for expenditures in current year	(303)
Asset Forfeiture Federal funds	25,728
State Grant Revenue	<u>90,000</u>
Total Grant Revenue	<u>\$ 1,549,902</u>

ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

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

Honorable J. Collin Sims
District Attorney of the Twenty-Second Judicial District
St. Tammany and Washington Parishes, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary funds of the District Attorney of the Twenty-Second Judicial District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued my report thereon dated June 27, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my 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, I do not express an opinion on the effectiveness of the District Attorney's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Robert A. Neilson, CPA

Bogalusa, Louisiana
June 27, 2024

District Attorney of the Twenty-Second Judicial District
St. Tammany and Washington Parishes
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued *Unmodified*

Material Weakness Identified _____ Yes X No

Significant Deficiency identified that are not considered material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Type of Auditor's Report Issued *Unmodified*

Material Weakness Identified _____ Yes X No

Significant Deficiency identified that are not considered material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR _____ Yes X No

Identification of major programs:

CFDA Number

93.563

Name of Federal Program

Child Support Enforcement Title IV-D

Dollar threshold used to distinguish between \$ 750,000

Auditee qualified as low-risk auditee? Yes

Findings- Financial Statement Audit

None

Findings and Questioned Costs- Major Federal Award Programs

None

District Attorney of the Twenty-Second Judicial District
St. Tammany and Washington Parishes
Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2022

Summary of Auditor's Results

None

Findings and Questioned Costs- Major Federal Award Programs

None

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 27, 2024

The Honorable Warren Montgomery
District Attorney of the Twenty-Second Judicial District
St. Tammany and Washington Parishes

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period ending December 31, 2023. The District Attorney of the Twenty-Second Judicial District is responsible for those C/C areas identified in the SAUPs.

The District Attorney has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period ending December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund

and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The District Attorney does not have a board of directors or similar body; therefore, the procedures listed above were not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception: Bank reconciliations are printed and scanned into Quickbooks but there is no record of approval by anyone else.

Management's Response: Someone from management will review the bank reconciliations monthly after they are completed and before they are scanned into the accounting software.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies

and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures

relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note:

Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is

complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions.

Payroll and Personnel

17. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - c. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions.

Debt Service

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The District Attorney has no outstanding debt, other than leases, as of December 31, 2023.

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the

misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

25. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures:

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- d. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- e. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 1. Hired before June 9, 2020 - completed the training; and
 2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Exception: There was no cybersecurity training for the fiscal year 2023.

Management's Response: Management was unaware of this requirement to complete cybersecurity training. All employees will now be required to complete this training, along with the sexual harassment and ethics.

Prevention of Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

No exceptions.

I was engaged by the District Attorney to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District Attorney and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Robert A. Neilson, CPA, LLC

Bogalusa, LA
June 24, 2024