

DISTRICT ATTORNEY OF THE FOURTH
JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Financial Statements
For the Year Ended December 31, 2022

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

INDEX

	<u>Statement</u>	
Independent Auditor's Report		1-4
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements:		
Statement of Net Position	A	5
Statement of Activities	B	6
Fund Financial Statements:		
Balance Sheet	C	7
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Position	D	8
Statement of Revenues, Expenditures and Changes in Fund Balances	E	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to The Statement of Activities	F	10
Fiduciary Funds:		
Statement of Fiduciary Net Position	G	11
Statement of Changes in Fiduciary Net Position	H	12
Notes to the Financial Statements		13-28
REQUIRED SUPPLEMENTARY INFORMATION		
	<u>Schedule</u>	
Budget Comparison Schedules		
General Fund	I	29
Special Revenue Fund – Title IV-D	II	30
Schedule of Proportionate Share of the Net Pension Liability	III	31
Schedule of Employer Contributions to Pension Plan	IV	31
Notes to Budgetary Comparison Schedules		32

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

INDEX

Schedule

SUPPLEMENTARY INFORMATION

Agency Funds	V	33
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	VI	34
Justice System Funding Reporting Schedule	VII	35-36

**OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND
BY OFFICE OF MANAGEMENT AND BUDGET *UNIFORM GUIDANCE***

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		37-38
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by Uniform Guidance		39-41
Schedule of Expenditures of Federal Awards		42
Notes to the Schedule of Expenditures of Federal Awards		43
Schedule of Findings and Questioned Costs		44
Schedule of Prior Year Findings		45
Independent Accountant's Report on Applying Agreed Upon Procedures		46-55

INDEPENDENT AUDITORS' REPORT

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2022, 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 aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), as of December 31, 2022, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The District Attorney and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 about 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.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 of the effectiveness 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 our 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.

We are 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 we identified during the audit.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurances.

Management has omitted 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, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and schedule of expenditures of federal awards, as required by Title 23 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 basic financial statements. Such information is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer 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.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2023 on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

David M. Harsh, CPA (APAC)

West Monroe, Louisiana
May 11, 2023

BASIC FINANCIAL STATEMENTS

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Net Position
December 31, 2022

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 678,907
Investments	3,349,234
Accounts Receivable	323,091
Capital Assets:	
Depreciable	<u>25,212</u>
Total Assets	<u>4,376,444</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	358,670
<i>Liabilities</i>	
Accounts Payable	\$ 736,408
Net Pension Liability	<u>582,634</u>
Total Liabilities	1,319,042
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	86,410
<i>Net Position</i>	
Net Investment in Capital Assets	25,212
Net Position - Unrestricted	<u>3,304,450</u>
Total Net Position	<u><u>\$ 3,329,662</u></u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
 Parishes of Ouachita and Morehouse, Louisiana

Statement of Activities
For the Year Ended December 31, 2022

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Public Safety & Judicial Prosecution	\$ 5,303,956	\$ 2,843,554	\$ 1,476,229	\$ -	\$ (984,173)
			General Revenues:		
			Local Support		95,647
			Interest Earnings		10,218
			Miscellaneous		7,890
			Total General Revenues		113,755
			Changes in Net Position		(870,418)
			Net Position - Beginning		4,200,080
			NET POSITION - ENDING		\$ 3,329,662

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Balance Sheet, Governmental Funds
December 31, 2022

	Major Funds		Non-Major Fund	Total
	General Fund	Title IV-D	Worthless Check Collection Fee	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 678,907	\$ -	\$ -	\$ 678,907
Investments	3,349,234	-	-	3,349,234
Accounts Receivable	200,642	122,449	-	323,091
Interfund Receivables	47,084	-	-	47,084
<u>Total Assets</u>	<u>\$ 4,275,867</u>	<u>\$ 122,449</u>	<u>\$ -</u>	<u>\$ 4,398,316</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 661,043	\$ 75,365	\$ -	\$ 736,408
Interfund Payables	-	47,084	-	47,084
<u>Total Liabilities</u>	661,043	122,449	-	783,492
<u>Fund Balance</u>				
Unassigned	3,614,824	-	-	3,614,824
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 4,275,867</u>	<u>\$ 122,449</u>	<u>\$ -</u>	<u>\$ 4,398,316</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Balance Sheet, Governmental Funds
December 31, 2022

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

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

Fund Balance, Governmental Funds:	\$	3,614,824
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		25,212
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.		(582,634)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.		<u>272,260</u>
Net Position of Governmental Activities	\$	<u><u>3,329,662</u></u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022

	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Total</u>
	<u>General</u> <u>Fund</u>	<u>Title IV-D</u>	<u>Worthless Check</u> <u>Collection Fee</u>	
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	\$ 2,433,085	\$ -	\$ 12,761	\$ 2,445,846
Court Cost Fees	149,891	-	-	149,891
Interest Income	10,218	-	-	10,218
Intergovernmental Revenue				
Federal	433,292	668,635	-	1,101,927
State	374,302	-	-	374,302
Local	95,647	-	-	95,647
Drug Asset Forfeiture	175,494	-	-	175,494
Collection Fees	408	-	-	408
Other	7,890	-	-	7,890
Total Operating Revenue	3,680,227	668,635	12,761	4,361,623
<u>Operating Expenditures</u>				
Current:				
General Government				
Personnel Services	2,995,025	527,181	12,761	3,534,967
Contractual Charges	880,939	101,071	-	982,010
Materials and Supplies	402,577	38,835	-	441,412
Other Charges	173,958	1,548	-	175,506
Capital Outlay	-	-	-	-
Total Operating Expenditures	4,452,499	668,635	12,761	5,133,895
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	(772,272)	-	-	(772,272)
Fund Balance - Beginning of the Year	4,387,096	-	-	4,387,096
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 3,614,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,614,824</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022

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

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds		\$ (772,272)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	-	
Less current year depreciation	<u>(35,276)</u>	(35,276)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.		(134,785)
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.		<u>71,915</u>
Changes in net position of governmental activities		<u><u>\$ (870,418)</u></u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Fiduciary Net Position
December 31, 2022

ASSETS

Cash and Cash Equivalents

\$ 821,087

TOTAL ASSETS

821,087

LIABILITIES

Deposits Due Others

821,087

TOTAL LIABILITIES

\$ 821,087

The accompanying notes are an integral part of this financial statement.

Statement H

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Changes in Fiduciary Net Position
December 31, 2022

<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 973,774
Collections	601,239
Disbursements	(753,926)
<u>BALANCE AT END OF YEAR</u>	<u>\$ 821,087</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

INTRODUCTION

The Louisiana Constitution of 1974, Article V, Section 14 created the judicial districts of the State, among them the Fourth Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts and sets forth the duties of the office. Louisiana R.S. 16:1 establishes a District Attorney for each of the Judicial District Attorney's offices. The Fourth Judicial District Attorney exists and operates in accordance with the authorities cited.

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district and is the legal advisor to the grand jury. 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 Fourth Judicial District encompasses the parishes of Morehouse and Ouachita and their offices are located in Bastrop and Monroe.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION The accompanying basic financial statements of the District Attorney of the Fourth Judicial District have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

The schedule of expenditures of federal awards includes the federal grant activity of the District Attorney and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Uniform Grant Guidance, Audits of State, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

B. REPORTING ENTITY The District Attorney is an independent elected official; however, the district attorney is fiscally dependent on the Morehouse and Ouachita Parish Police Juries. The police juries maintain and operate the parish courthouse in which the district attorney's office is located and provides funds for equipment and furniture of the district attorney's office.

For these reasons, the district attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity, inasmuch as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the District Attorney is fiscally dependent on the police jury, the District Attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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

Funds of the District Attorney are classified into two categories; governmental and fiduciary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for all or most of the district attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. The following are the district attorney's governmental funds:

General Fund - The General Fund is the primary operating fund of the district attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines and forfeitures collected be transmitted to the District Attorney to defray the necessary expenses of that office.

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

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

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

Fiduciary Funds Fiduciary funds account for assets held by the district attorney in a trustee capacity or as an agent on behalf of outside parties.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the district attorney holds for others in an agency capacity. The district attorney reports the following agency funds:

Asset Forfeiture Fund - The Asset Forfeiture Fund was established for the allocation and disposition of property obtained under the provisions of Louisiana Revised Statute 40:2616. The District Attorney may (1) retain property for official use or transfer the custody to any local, state or federal agency; (2) destroy or use for investigative purposes, any illegal or controlled substances or other contraband, upon the written approval of the District Attorney after not less than twenty days after seizure; and (3) authorize a public sale without appraisal of that which is not required by law to be destroyed and which is not harmful to the public.

Property is distributed by court order first to satisfy any security interest or lien; second to reimburse expenses of seizure; and the balance shall be allocated as follows:

60% to law enforcement agency(s) making the seizure
20% to the criminal court fund
20% to District Attorney's general fund

These proceeds are to be used to further and enhance drug law enforcement. The District Attorney is required to make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. This fund is subject to public audit.

Bond Forfeiture Fund - The Bond Forfeiture Fund was established for the allocation and disposition of 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.

Victim Restitution - The District Attorney holds these funds in escrow for the Court. These funds arise from restitution payments to victims. None of these funds have drug related origins, and thus are not a part of the drug asset forfeiture fund. The District Attorney maintains these funds in escrow until the courts provide orders for their disposition or otherwise directed for victim restitution.

Check Collection Fund - The Check Collection fund is used as a depository for funds collected from payments made on worthless checks. The funds are disbursed to the related merchants upon collection.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

Program Revenues - Program revenues included in the Statement of Activities derive directly from parties outside the District Attorney's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the District Attorney's general revenues.

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgment of Forfeiture is received. Court cost and fees provided for in Louisiana Statutes are recorded as received in cash. Collection fees for worthless checks are recorded as received in cash. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenues until earned.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund and Other Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors.

Grants are recorded when the District Attorney of the Fourth Judicial District is entitled to the funds. Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

E. BUDGETS The District Attorney uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the District Attorney of the Fourth Judicial District does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The District Attorney considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. 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 and national banks having their principal offices in Louisiana.

G. INVESTMENTS Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the district attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FUND FINANCIAL STATEMENTS)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

In the process of aggregating data for the statement of net position interfund payables and receivables were eliminated to minimize the "grossing up" effect of assets and liabilities within the governmental activities column.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

I. CAPITAL ASSETS Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$5,000 or more for capitalizing capital assets.

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and office equipment	5 years
Computer hardware	5-10 years
Telephone equipment	10 years
Vehicles	5 years

J. COMPENSATED ABSENCES The District Attorney does not have a formal leave and sick policy. Employees working within the District Attorney's office are entitled to paid vacations, paid sick days and personal days off, depending on job classification, length of service and the applicable policies of Morehouse Parish Police Jury or Ouachita Parish Police Jury. Compensated Absences balances are monitored and paid by the applicable Parish Police Jury; therefore, no liability is established for the District Attorney.

K. RESTRICTED NET POSITION

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

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations other governments;
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resource as needed.

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the District Attorney. Committed amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

Assigned: Fund balance that is constrained by the District Attorney's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the District Attorney.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The District Attorney reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The District Attorney considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

M. ENCUMBRANCES Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in government funds.

Based on the size of the accounts and the methods used for payments, the District Attorney does not employ encumbrance accounting.

N. INTERFUND 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 interfund transactions are reported as transfers.

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

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The District Attorney has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The District Attorney has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes 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 retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY

Excess of Budgeted Revenues Over Actual Revenues in Individual Funds The following fund had budgeted expenditures which was less than actual expenditures for the year ended December 31, 2022:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title IV-D	\$ 619,425	\$ 668,635	\$(49,210)

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits are stated at cost, which approximate 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 in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The District Attorney's policy does not address interest rate risk.

Credit Risk: The District Attorney's investments are in Certificates of Deposits which do not have credit ratings; however, the District Attorney's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$4,849,228 and the bank balance was \$5,315,162, which includes \$3,349,234 in certificate of deposits classified as investments.

These deposits are reported as follows: Statement A - cash and cash equivalents, \$678,907, Statement A investments \$3,349,234, Statement G - cash and cash equivalents \$821,087. Of the bank balance, \$1,750,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District Attorney's name. The District Attorney's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

NOTE 4 -RECEIVABLES

The following is a summary of receivables at December 31, 2022:

	<u>General Fund</u>	<u>Title IV-D</u>	<u>Worthless Check Collection</u>	<u>Total</u>
Fines, Fees and Bond Forfeitures	\$ 108,527	\$ -	\$ -	\$ 108,527
Intergovernmental				
Federal	67,115	122,449	-	189,564
State	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Total	<u>\$ 200,642</u>	<u>\$ 122,449</u>	<u>\$ -</u>	<u>\$ 323,091</u>

The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables at December 31, 2022:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 47,084	\$ -
Title IV-D	<u>-</u>	<u>47,084</u>
Total	<u>\$ 47,084</u>	<u>\$ 47,084</u>

The purpose of the interfund payable from the Title IV-D fund was to cover current-year expenditures for the cost reimbursement program until the reimbursement request is received. The purpose of the interfund payable (if any) from the worthless check fund is to cover general operating expenditures for the District Attorney's office until the collection fee is received.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 695,861	\$ -	\$ -	\$ 695,861
Vehicles	<u>504,552</u>	<u>-</u>	<u>-</u>	<u>504,552</u>
Total	<u>1,200,413</u>	<u>-</u>	<u>-</u>	<u>1,200,413</u>
Less Accumulated Depreciation				
Furniture & Fixtures	689,883	5,977	-	\$ 695,860
Vehicles	<u>450,042</u>	<u>29,299</u>	<u>-</u>	<u>479,341</u>
Total	<u>1,139,925</u>	<u>35,276</u>	<u>-</u>	<u>1,175,201</u>
Capital Assets, Net	<u>\$ 60,488</u>	<u>\$(35,276)</u>	<u>\$ -</u>	<u>\$ 25,212</u>

Depreciation expense of \$35,276 was charged to the public safety and judicial prosecution function.

The District Attorney has an operating lease with the Ouachita Parish Police Jury for the rental of office space to operate the Title IV-D Program. The lease is renewed on an annual basis and the current year lease payments paid to the Police Jury totaled \$21,896.

NOTE 7 - PENSION PLAN

District Attorney's Retirement System of Louisiana (System)

Plan Description

The 4th Judicial District Attorney contributes to the District Attorneys' Retirement System of Louisiana (System) which is 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.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

All persons who are district attorneys of 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.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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.

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.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2022, the 4th Judicial District Attorney's total payroll for all employees was \$368,278. Total covered payroll was \$331,191. Covered payroll refers to all compensation paid by the 4th Judicial District Attorney to active employees covered by the Plan.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2022, the actual employer contribution rate was 9.50%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 4th Judicial District Attorney's contributions to the System for the year ending December 31, 2022 were \$31,463.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

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, but are not considered special funding situations.

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the 4th Judicial District Attorney to the System monthly.

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

At December 31, 2022, the Employer reported a liability of \$582,634 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The 4th Judicial District Attorney's proportion of the Net Pension Liability was based on a projection of the Police Jury's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the 4th Judicial District Attorney's proportion was 0.540872%, which was a decrease of 0.101236% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the 4th Judicial District Attorney recognized pension expense of \$173,498 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$38,713). Total pension expense for the 4th Judicial District Attorney for the year ended December 31, 2022 was \$134,785.

At December 31, 2022, the 4th Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	41,209	18,226
Changes in Assumptions	126,380	-
Net Difference between projected and actual earnings on pension plan	173,931	-
Changes in employer's proportion of beg NPL	1,627	67,947
Differences between employer and proportionate share of contributions	0	237
Subsequent Measurement Contributions	15,523	-
Total	358,670	86,410

The \$15,523 reported as deferred outflows of resources related to pensions resulting from the 4th Judicial District Attorney contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

Amortization for the year ended December 31			
2023	70,880	(92)	70,788
2024	51,617	(92)	51,525
2025	43,501	(37)	43,464
2026	90,976	(16)	90,960
Total	256,974	(237)	256,737

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.10%, net of investment expense, including inflation
Salary increases	5.00% (2.20% inflation, 2.80% merit)
Mortality rates	<p>Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale.</p>
Expected remaining service lives	<p>5 years – June 30, 2022</p> <p>5 years – June 30, 2021</p> <p>6 years – June 30, 2020</p> <p>6 years – June 30, 2019</p> <p>6 years – June 30, 2018</p> <p>7 years – June 30, 2017</p> <p>7 years – June 30, 2016</p>
Cost of Living Adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2014, through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The estimated 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 7.69% for the year ended June 30, 2022.

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, 2022, were as follows:

Asset Class	Long-Term Target Asset Allocation	Rates of Return	
		Real	Nominal
Equities	57.11%	10.57%	
Fixed income	30.19%	2.95%	
Alternatives	12.67%	6.00%	
Cash	0.03%	0.00%	
System Totals	100.00%		5.01%
Inflation			2.68%
Expected Arithmetic Nominal Return			7.69%

Discount Rate

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 participating 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 all 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 benefit payments to determine the total pension liability.

Sensitivity of the 4th Judicial District Attorney's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the 4th Judicial District Attorney's proportionate share of the net pension liability calculated using the discount rate of 6.10%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.10%) or one percentage-point higher (7.10%) than the current rate:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

	Changes in Discount Rate June 30, 2022		
	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>\$977,129</u>	<u>\$582,634</u>	<u>\$251,730</u>

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at December 31, 2022. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

The District Attorneys' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2022. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

NOTE 8 - AGENCY FUNDS A summary of the changes in the District Attorney's agency funds is as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Asset Forfeiture Fund	\$ 604,557	\$ 248,271	\$ 297,126	\$ 555,702
Bond Forfeiture Fund	184,411	168,873	263,815	89,469
Victim Restitution Fund	130,634	116,591	119,786	127,439
Check Collection Fund	<u>54,172</u>	<u>67,504</u>	<u>73,199</u>	<u>48,477</u>
Total	<u>\$ 973,774</u>	<u>\$ 601,239</u>	<u>\$ 753,926</u>	<u>\$ 821,087</u>

Of the \$127,439 recorded for victim restitution fund, approximately \$121,000 is considered to be unreconciled as the District Attorney is unable to identify the individual payees because of the number of years that have elapsed.

NOTE 9 - LITIGATION AND CLAIMS

Litigation The District Attorney is involved in various legal actions and claims rising in the normal course of business. After taking into consideration the District Attorney's evaluation of such actions, it is of the opinion that their outcome will not materially affect the financial statements.

Grant Disallowances The District Attorney participates in a number of state and federally assisted programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2022

NOTE 10 - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court funds, the Morehouse Parish Police Jury, the Ouachita Parish Police Jury, or directly by the State. Those expenditures are summarized as follows:

The Morehouse Parish Police Jury, the Ouachita Parish Police Jury and the state fund a majority portion of the attorneys and support staffs' salaries and benefits.

The Criminal Court Fund is controlled and expended jointly between the District Attorney and the Fourth Judicial Court. The District Attorney normally expends funds for transcripts, witness fees and expert witness fees; the balance is utilized by the Fourth Judicial Court.

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE PROGRAM The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Children and Family Services.

For the year ended December 31, 2022, the District Attorney for the Fourth Judicial District expended \$668,635 for the program.

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

The reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 11, 2023, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

NOTE 13 – UPCOMING GASB STANDARDS

Statement No. 96, this statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

REQUIRED SUPPLEMENTAL INFORMATION

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over(Under)
	Original	Final		
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	\$ 2,716,000	\$ 2,409,900	\$ 2,433,085	\$ 23,185
Court Cost Fees	220,000	155,000	149,891	(5,109)
Interest Income	18,100	6,900	10,218	3,318
<u>Intergovernmental Revenue</u>				
Federal	405,194	405,194	433,292	28,098
State	357,700	358,500	374,302	15,802
Local	71,000	73,150	95,647	22,497
Drug Asset Forfeiture	80,000	124,000	175,494	51,494
Collection Fees	2,000	350	408	58
Other Revenues	9,000	4,500	7,890	3,390
Total Operating Revenues	<u>\$3,878,994</u>	<u>\$3,537,494</u>	<u>\$3,680,227</u>	<u>\$142,733</u>
<u>Operating Expenditures</u>				
<u>General Government</u>				
Personnel Services	2,428,500	2,875,897	2,995,025	(119,128)
Contractual Charges	898,500	924,275	880,939	43,336
Materials and Supplies	358,400	419,400	402,577	16,823
Other Charges	94,400	184,485	173,958	10,527
Capital Outlay	50,000	-	-	-
Total Expenditures	<u>3,829,800</u>	<u>4,404,057</u>	<u>4,452,499</u>	<u>(48,442)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	49,194	(866,563)	(772,272)	94,291
<u>Fund Balance - Beginning of the Year</u>				
	4,387,096	4,387,096	4,387,096	-
<u>FUND BALANCE - END OF THE YEAR</u>				
	<u>\$ 4,436,290</u>	<u>\$ 3,520,533</u>	<u>\$ 3,614,824</u>	<u>\$ 94,291</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
Special Revenue - Title IV-D
For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Over (Under)
	Original	Final		
<u>Operating Revenue</u>				
Intergovernmental Revenue				
Federal	\$ 650,000	\$ 650,000	\$ 668,635	\$ 18,635
Total Operating Revenues	650,000	650,000	668,635	18,635
<u>Operating Expenditures</u>				
General Government				
Personnel Services	525,000	514,425	527,181	(12,756)
Contractual Charges	105,000	105,000	101,071	3,929
Materials and Supplies	-	-	38,835	(38,835)
Capital Outlay	-	-	-	-
Other Charges	-	-	1,548	(1,548)
Total Expenditures	630,000	619,425	668,635	(49,210)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	20,000	30,575	-	(30,575)
<u>Fund Balance - Beginning of the Year</u>	-	-	-	-
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 20,000</u>	<u>\$ 30,575</u>	<u>\$ -</u>	<u>\$ (30,575)</u>

The accompanying notes are an integral part of this financial statement.

Schedule III

District Attorney of the Fourth Judicial District
 Parishes of Ouachita and Morehouse, Louisiana
Schedule of Employer's Share of Net Pension Liability
 For the Year Ended December 31, 2022

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency'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
2015	1.11723%	\$ 60,180	\$655,193	9%	66.13%
2016	1.21539%	\$ 232,635	\$735,264	32%	62.11%
2017	0.90560%	\$ 244,259	\$511,630	48%	62.49%
2018	0.78489%	\$ 252,571	\$488,003	52%	63.94%
2019	0.81432%	\$ 261,970	\$478,823	55%	93.13%
2020	0.78484%	\$ 621,806	\$486,874	128%	84.86%
2021	0.64211%	\$ 114,316	\$402,484	28%	96.79%
2022	0.54087%	\$ 582,634	\$349,987	166%	81.65%

Amounts presented were determined as of the measurement date (previous fiscal year end). Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule IV

District Attorney of the Fourth Judicial District
 Parishes of Ouachita and Morehouse, Louisiana
Schedule of Employer Contributions to Pension Plan
 For the Year Ended December 31, 2021

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 40,740	\$ 40,740	\$ -	\$ 655,193	6.22%
2016	\$ 11,323	\$ 11,323	\$ -	\$ 735,264	1.54%
2017	\$ -	\$ -	\$ -	\$ 511,630	0.00%
2018	\$ 3,001	\$ 3,001	\$ -	\$ 488,003	0.61%
2019	\$ 12,741	\$ 12,741	\$ -	\$ 482,660	2.64%
2020	\$ 18,555	\$ 18,555	\$ -	\$ 463,878	4.00%
2021	\$ 24,571	\$ 24,571	\$ -	\$ 363,767	6.75%
2022	\$ 31,463	\$ 31,463	\$ -	\$ 331,191	9.50%

Amounts presented were determined as of the end of the fiscal year. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2022

A. BUDGETS

General Budget Practices The District Attorney follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year in December, the accountant prepares and submits a proposed budget to the District Attorney for review. Public hearings are conducted to obtain taxpayer comments, prior to the adoption of the budget. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the District Attorney. Legally, the District Attorney must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the District Attorney to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

SUPPLEMENTARY INFORMATION

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

AGENCY FUNDS
Combining Schedule of Fiduciary Assets and Liabilities
For the Year Ended December 31, 2022

	<u>Asset Forfeiture Agency Fund</u>	<u>Bond Forfeiture Agency Fund</u>	<u>Victim Restitution Agency Fund</u>	<u>Check Collection Agency Fund</u>	<u>Total</u>
Assets					
Cash and Cash Equivalents	\$ 555,702	\$ 89,469	\$ 127,439	\$ 48,477	\$ 821,087
TOTAL ASSETS	<u>555,702</u>	<u>89,469</u>	<u>127,439</u>	<u>48,477</u>	<u>821,087</u>
Liabilities					
Deposits Due Others	555,702	89,469	127,439	48,477	821,087
TOTAL LIABILITIES	<u>\$ 555,702</u>	<u>\$ 89,469</u>	<u>\$ 127,439</u>	<u>\$ 48,477</u>	<u>\$ 821,087</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

**Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2022**

Agency Head: Robert S. Tew, District Attorney

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 122,500
Benefits – Insurance	\$ 0
Benefits – Retirement	\$9,800
Per diem	\$ 1,480
Travel	\$2,910
Dues	\$2,784

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 6/30/2022	Second Six Month Period Ended 12/31/2022
Beginning Balance of Amounts Collected	1,350,156	2,113,475
Add: Collections		
Bond Fees	114,627	54,247
Asset Forfeiture	210,812	99,462
Victim Restitution	75,569	41,021
Check Collection	37,029	30,461
Service/Collection Fees	6,012	7,157
Pre-Trial Diversion	909,845	500,378
Other		
	1,353,894	732,726
Less: Disbursements to Governments		
District Attorney's Office - Bond Forfeiture	79,161	26,050
Ouachita Parish Sheriff's Office - Bond Forfeiture	63,829	-
Ouachita Parish Criminal Court Fund - Bond Forfeiture	63,829	-
Indegent Defender Board - Bond Forfeiture	52,774	-
Morehouse Parish Sheriff's Office - Bond Forfeiture	2,139	-
Morehouse Parish Criminal Court Fund - Bond Forfeiture	2,139	-
Ouachita Parish Clerk of Court - Asset Forfeiture/Sale	-	-
Morehouse Parish Clerk of Court - Asset Forfeiture/Sale	-	-
Louisiana District Attorney's Association - Asset Forfeiture/Sale	1,999	899
Morehouse Parish Criminal Court Fund - Asset Forfeiture/Sale	-	1,470
Morehouse Parish Sheriff's Office - Asset Forfeiture/Sale	-	4,410
Ouachita Parish Criminal Court Fund - Asset Forfeiture/Sale	39,479	17,517
District Attorney's Office - Asset Forfeiture/Sale	40,154	19,358
Monroe Police Department - Asset Forfeiture/Sale	17,113	7,417
Ouachita Parish Sheriff's Office - Asset Forfeiture/Sale	12,711	8,637
Metro Narcotics of Ouachita Parish - Asset Forfeiture/Sale	57,229	30,891
Louisiana State Police - Asset Forfeiture/Sale	29,205	-
West Monroe Police Dept. - Asset Forfeiture/Sale	2,179	7,099
Less: Disbursements to Individuals		
Other Disbursements to Individuals - Asset Forfeiture/Sale	7,445	623
Other Disbursements to Individuals - Victim Restitution	77,722	41,931
Other Disbursements to Individuals - Check Collection	41,468	31,331
	590,575	197,633
Total Disbursements		
	590,575	197,633
Ending Balance of Amounts Collected but not Disbursed	\$ 2,113,475	\$ 2,648,568

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended <u>6/30/2022</u>	Second Six Month Period Ended <u>12/31/2022</u>
Receipts From:		
Ouachita Parish Sheriff's Office - FINES	88,403	73,668
Morehouse Parish Sheriff's Office - FINES	10,426	6,524
Ouachita Parish Sheriff's Office - COST	69,656	62,298
Morehouse Parish Sheriff's Office - COST	10,045	7,892
Ouachita Parish Sheriff's Office - DA COLLECTION	343	65
Ouachita Parish Sheriff's Office - Criminal Bond Fee	29,148	30,303
Morehouse Parish Sheriff's Office - Criminal Bond Fee	3,814	4,486
Ouachita Parish Sheriff's Office - 2% Bond Forf	88,468	94,092
Morehouse Parish Sheriff's Office - 2% Bond Forf	10,057	12,238
Ouachita Parish Sheriff's Office - Reinstatement Fees	18,650	13,441
Morehouse Parish Sheriff's Office - Reinstatement Fees	187	63
State of Louisiana - Public Safety Ouachita	10,312	4,563
State of Louisiana - Public Safety Morehouse	612	625
Total Receipts	<u><u>\$ 340,121</u></u>	<u><u>\$ 310,258</u></u>

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE

**Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated May 11, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District Attorney's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Office of the Louisiana Legislative Auditor as a public document.

David M. Hunt, CPA (APAC)

West Monroe, Louisiana
May 11, 2023

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

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District Attorney's major federal programs for the year ended December 31, 2022. 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 our opinion, the District Attorney of the Fourth Judicial District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District Attorney and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our 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.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Auditor's Responsibilities for the Audit of Compliance

Our 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 our 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, we:

- 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 we 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.

We are 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 we 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.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 our audit we did not identify any deficiencies in internal control over compliance that we 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.

Our 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 our 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.

David M. Hart, CPA (APSC)

West Monroe, Louisiana
May 11, 2023

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

<u>Federal Grantor/ Pass-Through Grantor/Program Name</u>	<u>Federal CFDA #</u>	<u>Grantor/Pass Through #</u>	<u>Expenditures</u>
United States Department of Health and Human Services			
Passed Through Louisiana Department of Children & Family Services			
Title IVD, Child Support Enforcement	93.563	2101LACSES *	441,299
United States Department of Justice			
Passed Through Louisiana Commission on Law Enforcement & Administration of Criminal Justice			
Domestic Violence Prosecution	16.588	2021-WF-02-6685	56,488
Victim Assistance Program	16.575	2019-VA-02-5780	143,440
Victim Assistance Program	16.575	2020-VA-02-6271	84,716
Total Victim Assistance Program			<u>228,156</u>
Total United States Department of Justice			284,644
United States Department of Transportation			
Passed Through Louisiana Department of Public Safety and Corrections - Louisiana Highway Safety Commission			
Fourth Judicial District DWI Court	20.600	2022-10-22	81,692
TOTAL FEDERAL AWARDS			<u><u>\$ 807,635</u></u>

* Denotes Major Program

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

**Notes to the Schedule of Expenditures of
Federal Awards**

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the District Attorney of The Fourth Judicial District, (the "District Attorney") for the year ended December 31, 2022. The District Attorney reporting entity is defined in Note 1 to the District Attorney's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. 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, it is not intended to and does not present the financial position or change in net position of the District Attorney.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District Attorney's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the District Attorney's basic financial statements as follows:

	<u>Federal Sources</u>
Major Funds:	
General Fund	\$ 366,336
Title IV-D	441,299
	<u>\$807,635</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6-DE MINIMIS INDIRECT COST RATE The District Attorney has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

PART I-SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There were no material weaknesses or significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for the major program was unmodified.
- vi. The audit disclosed no findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal program was:
Title IV-D, Child Support Enforcement CFDA #93.563
- viii. The dollar threshold used to identify between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance.

Part II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America

No findings were reported under this section.

Part III – Management Letter

No management letter was issued.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Status of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2022

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the Fourth Judicial District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fourth Judicial District (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

District Attorney of the Fourth Judicial District 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 January 1, 2022 through December 31, 2022. 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 related exceptions obtained are described in the attachment to this report.

We were engaged by the District Attorney of the Fourth Judicial District 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*. We were 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, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District Attorney of the Fourth Judicial District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our 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.

David M. Hartt, CPA (ASAC)

West Monroe, Louisiana
May 11, 2023

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***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).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
 - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***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.
 - xii. ***Prevention of 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 noted.

2) Board or Finance Committee

- A. 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
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-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.*
 - iii. 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.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

This section not applicable.

3) Bank Reconciliations

- A. Obtain a listing of entity 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 each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. 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 noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. 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
 - i. Observe whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

- A. 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 and 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
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. 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. *Alternatively, 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
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. 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 noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. 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
 - ii. 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

- A. 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.
- B. 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).

This section not applicable.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.
- B. 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 noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. 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.
 - ii. 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.
 - iii. 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.
- B. 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.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.
- B. 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).

- C. 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 the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions noted.