
**DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT**

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2021

DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT

EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

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 Nineteenth Judicial District (the “District Attorney”), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended December 31, 2021, 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, as of December 31, 2021, 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.

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 *Governmental 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 *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison information, the Schedule of Proportionate Share of the Total Other Post-Employment Benefit Liability, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Employer's Contributions to Retirement Systems on pages 4 – 10, 40 – 41, 42, 43, and 44, respectively, 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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 Schedule of Compensation, Benefits, and Other Payments to Agency Head, the Pretrial Intervention Program – Schedule of Revenues and Expenditures, the Justice System Funding Schedule – Collecting/Disbursing Entity, the Justice System Funding Schedule – Receiving Entity, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principals, 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 from and relates directly to the underlying accounting and other records used to prepare the basic 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 to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022, 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 *Government Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 24, 2022

REQUIRED SUPPLEMENTARY INFORMATION – PART I

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

This section of District Attorney's annual financial report presents a discussion and analysis of the District Attorney's financial performance during the year that ended on December 31, 2021. Please read it in conjunction with the District Attorney's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position (deficit) of government-wide activities increased in a positive direction by \$1,484,129 or 3.1%.
- Subsequent to the adoption and implementation of the Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, a net adjustment of (\$6,765,447) was made to the beginning deferred inflows, deferred outflows and other postemployment benefits liability amounts to correct valuation deficiencies in previous fiscal years. See Note 12.
- The liabilities and deferred inflows of the District Attorney exceeded its assets and deferred outflows by \$46,069,948 at December 31, 2021. Of this amount, \$351,695 is invested in capital assets net of related debt and \$115,197 is restricted for grant programs. The District Attorney has an unrestricted net deficit of (\$46,536,840) in governmental activities.
- During the year, the District Attorney had expenses of \$14,558,504, which was \$743,331 less than the \$15,301,835 of revenue generated by governmental programs during the year comparable to the prior year, when program expenses exceeded program revenues by \$2,471,729.
- The General fund reported an ending unassigned fund balance of \$1,943,192, which is a \$416,432 increase from the prior year ending fund balance of \$1,562,760.
- Total General fund revenues were \$13,549,004 in the current year, an increase of \$245,503 from prior year revenues. This is primarily due to increases in intergovernmental revenues as a result of additional funding provided by the City of Baton Rouge/Parish of East Baton Rouge (City-Parish) and the State of Louisiana. Increases in revenues were offset by a decrease in fines and forfeitures. Total General fund expenditures were \$13,239,918 in current year, an increase of \$681,178 from prior year expenditures. This is primarily due to increases in personnel services, capital outlay and victim assistance programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District Attorney's overall financial status.
- The remaining statements are fund financial statements that focus on individual funds of the District Attorney and reporting the operations in these funds in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the District Attorney acts solely as agent for the benefit of others, to whom the resources being held belong.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

The financial statements also include notes that further explain the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District Attorney’s financial statements, including the portion of the District Attorney’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure of contents of each of the statements.

Figure A-1 Major Features of District Attorney’s Government and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District Attorney governmental activities (except fiduciary funds)	The activities of the District Attorney that are not proprietary or fiduciary	Instances in which the District Attorney is the trustee or agent for someone else’s resources, such as cash seizures
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statements of fiduciary net position
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the District Attorney’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Government-wide Statements

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

The two government-wide statements report the District Attorney's net position and change in net position. Net position—the difference between the District Attorney's assets and deferred outflows, and liabilities and deferred inflows—is one way to measure the District Attorney's financial health, or position.

- Over time, increases or decreases in the District Attorney's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements, all of the District Attorney's activities are reported as government activities:

- Governmental activities—most of the District Attorney's basic services are included here. Fines and city and state grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District Attorney's most significant funds—not the District Attorney as a whole. Funds are accounting devices that the District Attorney uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants.

The District Attorney has two kinds of funds:

- Governmental funds—Most of the District Attorney's basic services are included in governmental funds, which focus on (1) cash and other financial assets that are readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it provides additional information on the subsequent page of each statement that explains the relationship (or differences) between them.
- Fiduciary funds — Custodial Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Custodial Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. These activities are excluded from the District Attorney's government-wide financial statements because the District Attorney cannot use these assets to finance its operations.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY AS A WHOLE

Governmental Activities

Net position. The District Attorney's combined net position increased by approximately \$1.5 million or 3.1% from the net position of the previous fiscal year. The increase is the result of revenues exceeding expenses during the fiscal year ended December 31, 2021.

Table A-1
District Attorney's Net Position

	Governmental Activities	
	2021	2020 (restated)
Cash and receivables	\$ 2,215,973	\$ 1,808,424
Capital assets, net of depreciation	351,695	321,198
Total assets	<u>2,567,668</u>	<u>2,129,622</u>
Deferred outflows of resources:		
Deferred outflow amounts related to pension liability	3,742,099	4,933,407
Deferred outflow amounts related to other post-employment benefit liability	4,003,474	3,216,972
Total deferred outflows of resources	<u>7,745,573</u>	<u>8,150,379</u>
Account payable and other liabilities	157,584	156,197
Compensated absences	706,916	700,491
Total other post-employment benefit liability	28,754,772	31,215,370
Net pension liability	15,095,825	19,302,102
Total liabilities	<u>44,715,097</u>	<u>51,374,160</u>
Deferred inflows of resources:		
Deferred inflow amounts related to pension liability	5,869,064	2,916,489
Deferred inflow amounts related to other post-employment benefit liability	5,799,028	3,543,429
Total deferred inflows of resources	<u>11,668,092</u>	<u>6,459,918</u>
Net position		
Net investment in capital assets	351,695	321,198
Restricted	115,197	125,467
Unrestricted	(46,536,840)	(48,000,742)
Total net position	<u>\$ (46,069,948)</u>	<u>\$ (47,554,077)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Changes in net position. The District Attorney's total revenues increased by approximately \$320,631, or 2.0% (See Table A-2). Approximately \$230,000 of that increase is the result of an increase in on-behalf support recognized from the State of Louisiana pertaining to the special funding situation described in Note 7 to the financial statements. Approximately \$5.4 million or 33.4% of the District Attorney's revenue comes from payments made on behalf of the District Attorney by the State of Louisiana and the City-Parish for payroll related costs. Revenues exceeded expenses by approximately \$1.5 million during 2021 and expenses exceeded revenues by approximately \$1.7 million in 2020. The increase in net position is primarily due to an overall decrease in actuarially determined pension expenses.

Table A-2
Changes in District Attorney's Net Position

	Governmental Activities	
	2021	2020 (restated)
Revenues		
Program revenues		
Charges for services	\$ 1,843,579	\$ 1,930,631
Grants and contributions	13,458,256	13,054,792
General revenues	740,798	736,579
Total revenues	<u>16,042,633</u>	<u>15,722,002</u>
Expenses		
Governmental activities	<u>14,558,504</u>	<u>17,457,152</u>
Increase (decrease) in net position	<u>\$ 1,484,129</u>	<u>\$ (1,735,150)</u>

A further breakdown of expenses by activity is reflected in Table A-3 below:

Table A-3
Net Cost of District Attorney's Governmental Activities

	Total Cost of Services		Net of Program Revenues	
	<u>2021</u>	<u>2020 (restated)</u>	<u>2021</u>	<u>2020 (restated)</u>
Public safety	\$ 13,288,784	\$ 15,790,413	\$ 741,232	\$ (2,071,791)
Health and welfare	1,269,720	1,666,739	2,099	(399,938)
	<u>\$ 14,558,504</u>	<u>\$ 17,457,152</u>	<u>\$ 743,331</u>	<u>\$ (2,471,729)</u>

FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUNDS

As the District Attorney completed the year, its governmental funds reported a combined fund balance of approximately \$2,058,389, an increase of approximately \$406,000 from prior year. This was the result of increases in intergovernmental revenues offset by increases in personnel payroll and related costs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

General Fund Budgetary Highlights

- Over the course of the year, the District Attorney amended its general fund budget to reflect changes in estimated revenues and personnel costs. An analysis of the original budgets compared to final amended general fund budget results is reflected in Table A-4:

Table A-4
Original and Final Amended Budget Comparison
General Fund

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Revenue	\$ 13,132,090	\$ 13,455,590	\$ 323,500
Expenditures	13,080,929	13,063,562	(17,367)
Net change in fund balance	<u>\$ 51,161</u>	<u>\$ 392,028</u>	<u>\$ 340,867</u>

- A comparison of the actual results to the original budget is reflected in Table A-5:

Table A-5
Original Budget Comparison
General Fund

	<u>Original Budget</u>	<u>Final Actual</u>	<u>Difference</u>
Revenue	\$ 13,132,090	\$ 13,549,004	\$ 416,914
Expenditures	13,080,929	13,239,918	158,989
Other financing sources	-	107,346	107,346
Net change in fund balance	<u>\$ 51,161</u>	<u>\$ 416,432</u>	<u>\$ 365,271</u>

CAPITAL ASSETS

At the end of 2021, the District Attorney had invested \$351,695 in capital assets. (See Table A-6.)

Table A-6
District Attorney's Capital Assets
(net of accumulated depreciation)

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 221,976	\$ 183,199
Vehicles	129,719	137,999
Total	<u>\$ 351,695</u>	<u>\$ 321,198</u>

The increase was primarily due to depreciation in the normal course of the assets' lives offset by capital purchases of equipment and vehicles during the year.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

LONG-TERM DEBT

The District Attorney's long-term debt consists of compensated absences, total other post-employment benefits liabilities, and net pension liability. The District Attorney had \$706,916 in compensated absences payable at year end compared to \$700,491 at the previous year end, an increase of \$6,425, or 0.9%. The District Attorney had \$28,754,772 in total other post-employment benefits payable at year end compared to \$31,215,370 at the previous year end, a decrease of \$2,460,598, or 7.9%. The District Attorney had \$15,095,825 in net pension liability at year end compared to \$19,302,102 at the previous year end, a decrease of \$4,206,277 or 21.8%. (See Table A-7.)

Table A-7
District Attorney's Long-Term Debt

	Governmental Activities	
	2021	2020 (restated)
Compensated absences	\$ 706,916	\$ 700,491
Other post-employment benefits obligation	28,754,772	31,215,370
Net pension liability	15,095,825	19,302,102
Total	<u>\$ 44,557,513</u>	<u>\$ 51,217,963</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District Attorney is dependent on the State of Louisiana and the City of Baton Rouge for approximately 77% of its general fund revenues. These entities receive a substantial part of their revenues from taxes. The economy is not expected to generate any significant growth due to the ongoing pandemic and current economic outlook (i.e., inflation).

CONTACTING THE DISTRICT ATTORNEY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District Attorney's finances and to demonstrate the District Attorney's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jermaine Guillory, Chief of Administration, 222 St. Louis St., Governmental Building, 5th Floor, Baton Rouge, LA 70802.

BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,822,558
Receivables	393,415
Capital assets, net of accumulated depreciation	<u>351,695</u>
 TOTAL ASSETS	 <u>2,567,668</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflow amounts related to total other post-employment benefit liability	4,003,474
Deferred outflow amounts related to net pension liability	<u>3,742,099</u>
	7,745,573
<u>LIABILITIES</u>	
Accounts payable	130,449
Other liabilities	27,135
Long-term liabilities	
Due in one year:	
Accrued compensated absences	706,916
Total other post-employment benefit liability	665,000
Due in more than one year:	
Total other post-employment benefit liability	28,089,772
Net pension liability	<u>15,095,825</u>
 TOTAL LIABILITIES	 <u>44,715,097</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflow amounts related to total other post-employment benefit liability	5,799,028
Deferred inflow amounts related to net pension liability	<u>5,869,064</u>
	11,668,092
<u>NET POSITION</u>	
Net investment in capital assets	351,695
Restricted for grant program	115,197
Unrestricted (deficit)	<u>(46,536,840)</u>
 TOTAL NET POSITION	 <u>\$ (46,069,948)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Operating</u>	<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Grants and</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Contributions</u>	<u>Changes in</u>
				<u>Net Position</u>
				<u>Governmental</u>
				<u>Unit</u>
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
Public safety	\$ 13,288,784	\$ 1,843,579	\$ 12,186,437	\$ 741,232
Health and welfare	1,269,720	-	1,271,819	2,099
	<u>\$ 14,558,504</u>	<u>\$ 1,843,579</u>	<u>\$ 13,458,256</u>	743,331
General Revenues:				
Interest and investment earnings				2,229
Grants and contributions not restricted				423,861
Miscellaneous				314,708
				<u>740,798</u>
Change in net position				1,484,129
Net position, beginning of year (restated)				<u>(47,554,077)</u>
Net position, end of year				<u>\$ (46,069,948)</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Assets:			
Cash and cash equivalents	\$ 1,584,739	\$ 237,819	\$ 1,822,558
Accounts receivable	282,770	110,645	393,415
Interfund receivables	234,278	5,557	239,835
	<u>234,278</u>	<u>5,557</u>	<u>239,835</u>
TOTAL ASSETS	<u>\$ 2,101,787</u>	<u>\$ 354,021</u>	<u>\$ 2,455,808</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 127,415	\$ 3,034	\$ 130,449
Other liabilities	25,623	1,512	27,135
Interfund payables	5,557	234,278	239,835
	<u>5,557</u>	<u>234,278</u>	<u>239,835</u>
TOTAL LIABILITIES	<u>158,595</u>	<u>238,824</u>	<u>397,419</u>
Fund balances:			
Spendable:			
Restricted	-	115,197	115,197
Unassigned	1,943,192	-	1,943,192
	<u>1,943,192</u>	<u>-</u>	<u>1,943,192</u>
TOTAL FUND BALANCES	<u>1,943,192</u>	<u>115,197</u>	<u>2,058,389</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,101,787</u>	<u>\$ 354,021</u>	<u>\$ 2,455,808</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balances - Governmental Funds \$ 2,058,389

Amounts reported in the Statement of Net Position are different due to:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported in the governmental funds. This is the amount of capital assets, net of accumulated depreciation, in the current period.

Cost of capital assets at December 31, 2021	2,617,691	
Less: accumulated depreciation as of December 31, 2021	<u>(2,265,996)</u>	351,695

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the fund liabilities. These liabilities consist of the following:

Compensated absences	(706,916)	
Total other post-employment benefit liability	(28,754,772)	
Net pension liability	<u>(15,095,825)</u>	(44,557,513)

An employer that participates in a stand alone post-employment benefit plan other than pension is required to recognize related expense and report its deferred outflows and inflows of resources. These deferrals reported on the Statement of Net Position consist of:

Deferred outflow of resources-related to total other post-employment benefit liability	4,003,474	
Deferred inflow of resources-related to total other post-employment benefit liability	<u>(5,799,028)</u>	(1,795,554)

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. These deferrals reported on the Statement of Net Position consist of:

Deferred outflow of resources-related to net pension liability and pension contributions	3,742,099	
Deferred inflow of resources-related to net pension liability	<u>(5,869,064)</u>	<u>(2,126,965)</u>

Total Net Position for year ended December 31, 2021 \$ (46,069,948)

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Fines and forfeitures	\$ 722,874	\$ -	\$ 722,874
Intergovernmental revenue:			
Federal grants	857,929	1,271,819	2,129,748
City of Baton Rouge	7,741,451	-	7,741,451
State of Louisiana - supplemental salaries	2,567,096	-	2,567,096
State of Louisiana - victim assistance	120,000	-	120,000
Check collection fees	5,398	-	5,398
Narcotic seizure fees	253,516	-	253,516
Pre-trial intervention program fees	691,356	-	691,356
Other	587,266	-	587,266
Interest	2,118	111	2,229
TOTAL REVENUES	<u>13,549,004</u>	<u>1,271,930</u>	<u>14,820,934</u>
<u>EXPENDITURES</u>			
Public safety	13,239,918	-	13,239,918
Health and welfare	-	1,174,854	1,174,854
	<u>13,239,918</u>	<u>1,174,854</u>	<u>14,414,772</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>			
	<u>309,086</u>	<u>97,076</u>	<u>406,162</u>
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers in/(out)	<u>107,346</u>	<u>(107,346)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>			
	<u>416,432</u>	<u>(10,270)</u>	<u>406,162</u>
Fund balances - beginning of year	<u>1,526,760</u>	<u>125,467</u>	<u>1,652,227</u>
Fund balances - end of year	<u>\$ 1,943,192</u>	<u>\$ 115,197</u>	<u>\$ 2,058,389</u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in fund balances - Governmental Funds		\$	406,162
Amounts reported in the Statement of Activities are different due to:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay included in expenditures	214,693		
Disposed assets (net book value)	(2,123)		
Depreciation expense for the year	<u>(182,073)</u>		30,497
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. These expenditures consist of:			
Change in compensated absences	(6,425)		
Net effects of changes in total other post-employment benefit liability, deferred outflows, and deferred inflows.	991,501		
Net effects of changes in net pension liability, deferred outflows and deferred inflows.	<u>62,394</u>		<u>1,047,470</u>
Total Change in Net Position for year ended December 31, 2021		\$	<u><u>1,484,129</u></u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 746,060</u>
TOTAL ASSETS	<u>746,060</u>
<u>LIABILITIES</u>	
Due to individuals, organizations and other governments	<u>83,858</u>
TOTAL FIDUCIARY NET POSITION	<u>83,858</u>
<u>NET POSITION</u>	
Restricted for individuals, organizations, and other governments	<u>662,202</u>
TOTAL NET POSITION	<u><u>\$ 662,202</u></u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Restitution and check collection	\$ 516,654
Narcotic seizure	1,720,623
Interest	<u>196</u>
Total Additions	<u>2,237,473</u>
<u>DEDUCTIONS</u>	
Restitution and check collection	516,673
Narcotic seizure	<u>1,160,747</u>
Total Deductions	<u>1,677,420</u>
Net increase in fiduciary net position	560,053
Net position - beginning	<u>102,149</u>
Net position - ending	<u><u>\$ 662,202</u></u>

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

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Nineteenth Judicial District (District Attorney) has charge of every criminal prosecution by the State within its district, is the representative of the State before the grand jury in its district, is legal advisor to the grand jury, and performs other duties as provided by law. The Nineteenth Judicial District encompasses the Parish of East Baton Rouge, Louisiana.

A. Basis of Presentation

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

B. Financial Reporting Entity

For financial reporting purposes, in conformance with governmental accounting standards, the District Attorney is a part of the district court system in the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity.

As the governing authority of the Parish, for reporting purposes, the City-Parish Consolidated Government of Baton Rouge (City-Parish) is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the primary government is financially accountable, (c) fiscally dependent, (d) and other organizations for which the 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 established criteria for determining which component units should be considered part of the City-Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The governmental accounting standards have set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City-Parish 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 City-Parish.
2. Organizations for which the City-Parish does not appoint a voting majority but are fiscally dependent on the City-Parish and pose a financial benefit or burden to the City-Parish.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

B. **Financial Reporting Entity** (continued)

The District Attorney is an independently elected official. However, the District Attorney is fiscally dependent on the City-Parish.

Because the City-Parish provides a significant amount of financial revenues, the District Attorney is determined to be a component unit of the City-Parish, 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 City-Parish, 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.

Governmental Funds

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

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11 and accounts for the operations of the District Attorney's office.

Special Revenue Fund

The Special Revenue Fund accounts for grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the Special Revenue Fund is to account for money to be used to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

C. **Fund Accounting** (continued)

Fiduciary Type Funds – Custodial Funds

Fiduciary fund reporting focuses on resources held for other parties. The only funds accounted for in this category by the District Attorney are custodial funds. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the full accrual basis of accounting. The following custodial funds are utilized by the District Attorney:

Narcotic Seizure Fund

The District Attorney's Narcotic Seizure Fund is used to account for assets awarded by court judgments as a result of seizures and forfeitures of property in successfully prosecuted narcotics and other criminal investigations. The proceeds are held in custody by the District Attorney for distribution as provided under applicable Louisiana Statutes.

Defendant Restitution Fund

The District Attorney's Defendant Restitution Fund is used to account for funds awarded to a victim by the court for restitution associated with a defendant's defense. The funds are held in custody by the District Attorney for distribution until the funds are claimed by the respective victim.

Bond Forfeiture Fund

The Bond Forfeiture Fund is used to account for the collection and disbursement of proceeds from the forfeiture of District, Parish, and City Court bail and surety bonds for failure by a defendant to appear in court. The distribution of the proceeds of the bond forfeitures is in accordance with Louisiana Revised Statute 15:571:11 (L) and (M).

D. **Basis of Accounting / Measurement Focus**

Government Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the government (the District Attorney). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities are generally financed through fines and forfeitures, intergovernmental revenues and other non-exchange transactions. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

D. **Basis of Accounting / Measurement Focus** (continued)

Government Wide Financial Statements (GWFS) (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District Attorney's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fines and forfeitures (charges) and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The GWFS are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions, are recognized in accordance with the requirements of GASB Codification Section N50, Non-exchange Transactions.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become measurable and available to pay current period liabilities. 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 or 60 days. Commissions on fines and bond forfeitures are reported in the year they are collected. Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met and the resources are measurable and available. Interest income on investments is recorded when earned. Substantially, all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, and general long-term obligations principal and interest payments are recognized only when due. Costs of accumulated unpaid vacation, sick leave, and other employee benefit amounts are reported in the period earned by employees.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

E. **Budgets and Budgetary Accounting**

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

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

F. **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. **Receivables**

All receivables are reported at their gross value and consist primarily of grants and fines and forfeitures. The District Attorney expects to collect all balances due to the nature of the receivables and as such no allowance for bad debts has been recorded.

H. **Capital Assets**

All capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District Attorney maintains a capitalization threshold level of \$750 or more.

Capital assets are recorded in the GWFS but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are disposed or sold for an immaterial amount when declared as no longer needed by the District Attorney, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 7 years.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

I. **Compensated Absences**

The District Attorney adopted a policy for vacation leave which allows a maximum of 180 hours of vacation leave per calendar year to be earned. Employees may accumulate a maximum of 80 hours to be carried forward to a succeeding calendar year. Upon termination, employees are paid up to 80 hours of their unused vacation leave. In addition, the District Attorney adopted a policy for compensatory leave, whereby employees accrue compensatory time in lieu of overtime up to a maximum of 240 hours. Upon termination, employees are paid up to 240 hours of their unused compensatory time. Sick leave is allowed to accrue and accumulate up to a maximum of 2,080 hours. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations. Under the leave policy adopted, accrual of unused vacation leave and compensatory leave is recognized in the financial statements. However, accrual of unused sick leave is not recognized since the amount accumulated lapses upon termination.

J. **Pension Plans**

The District Attorney is a participating employer in two defined benefit pension plans (plans) as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

K. **Deferred Inflows and Outflows 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 of resources (expense/expenditure) until then. See Note 5 for additional information on deferred outflows of resources related to other post-employment benefits and Note 6 for additional information on deferred outflows of resources related to defined benefit pension plans.

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 (revenues) until that time. See Note 5 for additional information on deferred inflows of resources related to other post-employment benefits and Note 6 for additional information on deferred inflows of resources related to defined benefit pension plans.

L. **Operating Transfers In and Out**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases, where repayment is expected, the transfers are accounted for through the due from and due to accounts.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

M. **Use of Estimates**

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

N. **Net Position**

For the government-wide statement of net position, net position amount is classified and displayed in three components:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District Attorney.

O. **Fund Balance of Fund Financial Statements**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Spendable

Restricted – represents balances where constraints have been established by parties outside the District Attorney or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Attorney’s highest level of decision-making authority.

Assigned – represents balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed or assigned to be specific purposes within the general fund.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

O. **Fund Balance of Fund Financial Statements** (continued)

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the District Attorney reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the District Attorney reduces committed amounts first followed by assigned amounts and then unassigned amounts.

P. **Current Accounting Standards Scheduled to be Implemented**

The following is a summary of the accounting standard(s) adopted by the Governmental Accounting Standards Board (GASB) that is scheduled to be implemented in the future that may affect the District Attorney's financial report:

GASB Statement 87, *Leases*. This standard requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The District Attorney will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the District Attorney's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the District Attorney is unknown at this time.

2. **CASH AND CASH EQUIVALENTS**

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the District Attorney's deposits may not be returned to them. The District Attorney does not have a deposit policy for custodial credit risk; however, state law is designed to limit this risk. State law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2021, the District Attorney's bank balance of demand deposit accounts was \$2,952,488 was fully collateralized or FDIC insured and therefore not exposed to custodial credit risk.

3. **ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2021, includes grants revenue of approximately \$354,700, fines and bond forfeiture revenues of approximately \$31,500, and approximately \$7,200 in other revenues.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

4. CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance as of December 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance as of December 31, 2021</u>
Cost of capital assets				
Furniture and equipment	\$ 1,987,165	\$ 142,543	\$ -	\$ 2,129,708
Vehicles	505,228	72,150	(89,395)	487,983
Total cost of capital assets	<u>2,492,393</u>	<u>214,693</u>	<u>(89,395)</u>	<u>2,617,691</u>
Accumulated depreciation				
Furniture and equipment	1,803,966	103,766	-	1,907,732
Vehicles	367,229	78,307	(87,272)	358,264
Total accumulated depreciation	<u>2,171,195</u>	<u>182,073</u>	<u>(87,272)</u>	<u>2,265,996</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 321,198</u>	<u>\$ 32,620</u>	<u>\$ (2,123)</u>	<u>\$ 351,695</u>

Depreciation expense of \$182,073 for the year ended December 31, 2021 was charged to the following governmental functions:

Public safety	\$ 176,379
Health and welfare	5,694
	<u>\$ 182,073</u>

5. TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY

OPEB Plan for the City-Parish

All classified and unclassified employees of the City-Parish primary government, and certain employees of the District Attorney of the Nineteenth Judicial District, the Nineteenth Judicial District Court, the East Baton Rouge Parish Family Court, and the East Baton Rouge Parish Juvenile Court may at their option, participate in the employees' group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish's Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan Description

The City-Parish OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report.

Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his or her coverage paying the same premiums and receiving the same benefits as active employees.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. **TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY** (continued)

Plan Description (continued)

The City-Parish pays the following percentages of the employer portion of scheduled premiums on employees hired after January 1, 2004:

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10-15 years	50%
15-20 year	75%
Over 20 years	100%

Current Funding policy

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During the measurement period, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third-party administrator. During the measurement period, employees and retirees contributed 11% - 40% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 60% - 89% of the premium base. Effective January 1, 2004, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The District Attorney's portion of the annually adopted premium base is paid by the City-Parish on behalf of the District Attorney. These contributions for the year ended December 31, 2021 totaled \$665,510.

Total OPEB Liability

The District Attorney's proportional share (2.12%) of the total OPEB liability of \$28,754,772 was measured as of December 31, 2020 and was determined by an actuarial valuation date of December 31, 2020. The proportion of the total OPEB liability was based on a percentage of enrolled participants in proportion to total enrolled for all participating employers. The District Attorney's proportionate share increased from 2.10% to 2.12% since the prior measurement period.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY (continued)

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal
Inflation Rates	2.50%
Salary Increases	3.27% to 18.39% (includes inflation)
Discount Rates *	2.12%
Mortality Rates	RP2006 Blue Collar base tables projected back to 2001 using the Scale MP-2018 mortality improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates
Healthcare Cost Trend Rates:	
Medical	6.00% for FY22 to FY27 decreasing 0.50% per year to an ultimate rate of 4.50% for FY30 and later years
Dental	0.00% for FY22 and FY23 increasing to 4.50% for FY24 and later years
Retirement Rates	Earlier of 25.5 years of service or age 61 and 11 years of service
Withdrawal Rates	85% of future retirees not subject to the Insurance Vesting Plan are assumed to elect health and dental coverage at retirement and remain covered until death. 75% of future retirees subject to the Insurance Vesting Plan are assumed to elect health and dental coverage at retirement and remain covered until death.

**Bond Buyer's 20 Year Bond General Obligation Index at the measurement date*

Sensitivity of the Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District Attorney’s proportionate share (2.12%), as well as what the District Attorney’s total OPEB liability would be if it were using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (1.12%)	Current Discount Rate (2.12%)	1.0% Increase (3.12%)
Total OPEB liability	<u>\$ 34,257,802</u>	<u>\$ 28,754,772</u>	<u>\$ 24,414,319</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District Attorney’s proportionate share (2.12%), as well as what the District Attorney’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease	Healthcare Cost Trend Rate	1.0% Increase
Total OPEB liability	<u>\$ 25,909,555</u>	<u>\$ 28,754,772</u>	<u>\$ 32,342,013</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

5. **TOTAL OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY** (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended December 31, 2021, the District Attorney's proportionate share (2.12%) of recognized OPEB expense of \$1,573,890. At December 31, 2021, the District Attorney's proportionate share (2.12%) reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,774,238	\$ -
Changes in assumptions	1,172,148	(4,879,554)
Changes in proportion	391,578	(919,474)
Employer payments for OPEB as benefits come due subsequent to measurement date of total OPEB liability	665,510	-
Total	<u>\$ 4,003,474</u>	<u>\$ (5,799,028)</u>

The \$665,510 of deferred outflows of resources resulting from the benefit payments subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability during the year ending December 31, 2022. These payments are paid on behalf of the District Attorney by the City-Parish.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31:</u>	
2022	\$ (1,405,217)
2023	(612,088)
2024	(443,759)
	<u>\$ (2,461,064)</u>

The amount of total OPEB liability estimated to be due and payable within one year is \$665,000.

6. **DEFINED-BENEFIT PENSION PLANS**

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) and the District Attorneys' Retirement System (DARS) (hereinafter referred to cumulatively as Plans or Systems). The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge maintains the authority to establish and amend plan benefits for the CPERS plan. The CPERS plan is a component unit of the City-Parish. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of DARS to the State Legislature. Each system is administered by a separate board of trustees.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. These reports may be obtained by writing, calling or downloading the reports as follows:

CPERS: 209 Saint Ferdinand St. Baton Rouge, Louisiana 70802 (225) 389-3272 www.brla.gov/264/retirement-system	DARS: 1645 Nicholson Drive. Baton Rouge, LA 70802-8143 (225) 267-4824 www.ladars.org
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Plan Descriptions:

City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)

The Retirement System is a cost sharing multiple employer defined benefit pension plan and is governed by a seven-member Board of Trustees. The Board is responsible for administering the assets of the Retirement System and for making policy decisions regarding investments. The Metropolitan Council maintains the authority to establish and amend plan benefits. Substantially all full-time non-police employees of the City-Parish and other member employers are covered by the Retirement System. The Retirement System actuarially determines the contributions required to fund the plan and collects the contributions as a percentage of payroll each payroll period. The Retirement System exists for the sole benefit of current and former employees of the member employers.

District Attorneys' Retirement System (DARS)

The District Attorneys' Retirement System, State of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan and is governed by a Board of Trustees. The pension plan was established in 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 and their assistants in each parish.

Funding Policy

CPERS plan members contributed a percentage of their annual covered salary, which is stipulated in Part IV, Subpart 2, Sec. 1:264(A) 1 (b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the CPERS's actuary. The Metropolitan Council of the City of Baton Rouge and Parish of East Baton Rouge has authority over to determine employee contributions to CPERS.

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions to DARS. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

Funding Policy (continued)

Contributions to the Plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2021, for the District Attorney and covered employees were as follows:

	<u>District Attorney</u>	<u>Employees</u>
DARS	9.50% Blended	8.00%
CPERS	33.73% Blended	9.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
DARS	\$ 163,782	\$ 93,963	\$ 61,572
CPERS	1,193,479	1,103,193	1,084,563

Additionally, contributions are made to DARS from the State of Louisiana, a non-employer, and these contributions considered a special funding situation as described in the last section of this note. Contributions to DARS from the State of Louisiana for the years ended December 31, 2021, 2020 and 2019 were \$166,529, \$91,053 and \$59,797, respectively.

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

The following schedule lists the District Attorney's proportionate share of the Net Pension Liability allocated by each of the pension plans as of the respective measurement dates for each plan. The District Attorney uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2021, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used as of the respective measurement dates along with the change compared to the immediately prior measurement date. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Measurement Date</u>	<u>Net Pension Liability at Measurement Date</u>	<u>Rate at Measurement Date</u>	<u>Increase (Decrease) to Prior Year Rate</u>
DARS	June 30, 2021	\$ 677,735	3.80681%	0.047769%
CPERS	December 31, 2020	14,418,090	2.46717%	(0.126755%)
		<u>\$ 15,095,825</u>		

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

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

The following schedule lists each pension plan's recognized pension expense for the year ended December 31, 2021:

	<u>Pension Expense</u>
DARS	\$ 385,764
CPERS	1,242,678
DARS Special Funding Situation	966,490
	<u>\$ 2,594,932</u>

At December 31, 2021, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 901,033	\$ (208,105)
Changes of assumptions	1,474,212	(445,015)
Net difference between projected and actual earnings on pension plan investments	-	(3,493,780)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		
Change in proportion	57,781	(1,466,479)
Difference in contributions	322	(255,685)
Employer contributions subsequent to the measurement date	1,308,751	-
Total	<u>\$ 3,742,099</u>	<u>\$ (5,869,064)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
DARS	\$ 1,662,045	\$ (2,169,764)
CPERS	2,080,054	(3,699,300)
Total	<u>\$ 3,742,099</u>	<u>\$ (5,869,064)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

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

The District Attorney reported a total of \$1,308,751 as deferred outflow of resources related to pension contributions made subsequent to the measurement which will be recognized as a reduction in net pension liability in the year ended December 31, 2022. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
DARS	\$ 115,272
CPERS	<u>1,193,479</u>
	<u>\$ 1,308,751</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Deferral Period</u>	<u>DARS</u>	<u>CPERS</u>	<u>Total</u>
2022	\$ (102,887)	\$ (655,415)	\$ (758,302)
2023	(23,018)	(499,374)	(522,392)
2024	(228,128)	(1,249,397)	(1,477,525)
2025	<u>(268,958)</u>	<u>(408,539)</u>	<u>(677,497)</u>
	<u>\$ (622,991)</u>	<u>\$ (2,812,725)</u>	<u>\$ (3,435,716)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of the measurement period for each plan are as follows:

	CPERS				DARS
Valuation Date	December 31, 2020				June 30, 2021
Actuarial Cost Method	Entry Age Normal				Entry Age Normal
Actuarial Assumptions:					
Expected Remaining Service Lives	5 years				5 years
Investment Rate of Return	7.00% net of investment expenses				6.10% net of investment expenses
Inflation Rate	2.25% per annum				2.20%
Discount Rate	7.00%				6.10%
Mortality	Healthy - RP-2006 Blue Collar (employee for active and annuitant for inactive) Projected back to 2001, Generational with MP 2018 (2016 base year)				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.
	Disabled - RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year)				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.
					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.
Salary Increases	Service	Age	BREC / Regular	Fire / Police	5.00% (2.20 inflation, 2.80% merit)
	<1	22	7.60%	15.50%	
		27 - 32	4.90%	15.50%	
		37 - 62	3.40%	15.50%	
		67	1.50%	15.50%	
	1+	22	7.60%	6.50%	
		27	3.50%	3.50%	
		32	3.50%	3.25%	
		37	3.25%	3.00%	
Cost of Living Adjustments	None				Only those previously granted.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. DEFINED-BENEFIT PENSION PLANS (continued)

Actuarial Assumptions (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>CPERS</u>	<u>DARS</u>
The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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 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 8.25% for the year ended June 30, 2021.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of the measurement period date for each respective plan:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>		<u>Expected Portfolio Real Rate of Return</u>	
	<u>CPERS</u>	<u>DARS</u>	<u>CPERS</u>	<u>DARS</u>
Equities	50.0%	57.11%	8.00%	6.43%
Fixed income	30.0%	30.19%	3.00%	0.94%
Alternatives	5.0%	12.67%	5.70%	0.89%
Real assets	15.0%	0.03%	4.50%	0.00%
Total	100.0%	100.0%		
Nominal Rate of Return				5.80%
Inflation				2.45%
Expected Arithmetic Nominal Return				<u>8.25%</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan'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. The discount rate used to measure the total pension liability for CPERS was 7.00% for the measurement period year ended December 31, 2020 and 2019 respectively. The discount rate used to measure the total pension liability for DARS was 6.10% and 6.25%, for the measurement period year ended June 31, 2021, and June 30, 2020, respectively.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. **DEFINED-BENEFIT PENSION PLANS** (continued)

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District Attorney’s proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the District Attorney’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
DARS			
Rates	5.10%	6.10%	7.10%
District Attorney’s Share of NPL	\$ 3,323,071	\$ 677,735	\$ (1,538,493)
CPERS			
Rates	6.00%	7.00%	8.00%
District Attorney’s Share of NPL	\$ 18,548,629	\$ 14,418,090	\$ 10,954,952

Special Funding Situation

A special funding situation is defined as circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan.

Louisiana Revised Statute 16:10 – 11 stipulates that certain salary amounts for District Attorneys (DAs) and Assistant District Attorneys (ADAs) are payable by the State of Louisiana (State). Further, the total employer contributions allocable to that portion of the respective DAs and ADAs salaries are paid directly to DARS by the State. The State’s proportionate share of the collective net pension liability of DARS associated with the District Attorney of the Nineteenth Judicial District Attorney is approximately \$1,596,000. This allocated share of the State’s net pension liability is not recognized in the District Attorney’s net pension liability. The State’s proportionate share of pension expense associated with the District Attorney is approximately \$966,500, which is recognized as on-behalf support and a corresponding expense in the Statement of changes in Net Position.

7. **ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

In accordance with government accounting standards, the District Attorney recognizes on-behalf payments made by the City-Parish or the State of Louisiana for operational costs of the District Attorney. These costs include salary and fringe benefits, and other operating costs. The District Attorney recognizes these payments as revenue and corresponding expenses in the financial statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

7. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS (continued)

For the year ended December 31, 2021, the District Attorney recorded on-behalf payments in the fund financials from the following sources:

City-Parish of East Baton Rouge	
Retirement contributions	\$ 1,033,179
Insurance	1,073,681
Postemployment benefits	665,510
Other	<u>22,941</u>
Total	<u>\$ 2,795,311</u>
State of Louisiana	
Salaries	\$ 2,366,256
Retirement contributions	166,529
Payroll taxes	<u>34,311</u>
Total	<u>\$ 2,567,096</u>

As a result of a special funding situation described in Note 6, the State of Louisiana incurred additional pension expense totaling approximately \$800,000, on behalf of the District Attorney. The District Attorney recognized this support in the government-wide financials as on-behalf revenue with a corresponding expense.

8. 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 No. 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 2021, the District Attorney expended \$1,271,819 in reimbursable payments. The reimbursable payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include a budget of expected expenditures for each fiscal year ending December 31. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

Other programs are funded by the U. S. Department of Justice totaling \$857,929 which are passed through the Louisiana Commission of Law Enforcement. These programs are funded by reimbursements with certain matching requirements ranging from 0% to 25% to be funded by the District Attorney.

The District Attorney's federal assistance is contingent on the District Attorney maintaining compliance with applicable compliance requirements of the respective grants. Failure to maintain compliance or to correct noncompliance within a specified time period could also result in disallowed costs and could in turn result in amounts owed to the grantor agency.

9. CONTINGENCIES

Various lawsuits are pending against the District Attorney. In the opinion of the District Attorney's management, the potential loss on lawsuits will not be material to the District Attorney's basic financial statements.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

10. RISK MANAGEMENT

The District Attorney is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omission; injuries to employees; health insurance for its employees; auto liability; and natural disasters. The District Attorney has purchased commercial insurance for each type of risk to which it is exposed. Settlements have not exceeded insurance coverage in any of the three preceding years.

11. COMPENSATED ABSENCE LIABILITY

At December 31, 2021, employees of the District Attorney have accumulated and vested \$706,916 of employee leave benefits according to the District Attorney's policy, which were computed in accordance with GASB Classification Section C60. The following is a summary of the compensated absence liability activity during the year:

	<u>Compensated Absences</u>
Beginning Balance	\$ 700,491
Additions (amounts earned)	598,110
Deductions (amounts paid)	<u>(591,685)</u>
Ending Balance	<u>\$ 706,916</u>

12. PRIOR PERIOD RESTATEMENT

The District Attorney reported a prior period adjustment in the fiscal year ended December 31, 2021 as follows:

	<u>Governmental Activities</u>
Total Net Position, December 31, 2020	\$ (40,788,630)
OPEB Deferred Outflow	85,611
OPEB Liability	(6,305,758)
OPEB Deferred Inflow	<u>(545,300)</u>
Total Net Position, December 31, 2020, as restated	<u>\$ (47,554,077)</u>

As explained in Note 5, the estimated total Other Post-Employment Benefits (OPEB) and related deferred inflows and outflows of resources are based on assumptions, census data and the estimated cost of benefits to be provided. The City-Parish changed actuaries for its current OPEB valuation. The new actuary discovered valuation methodology deficiencies in the prior actuary's report. These deficiencies were recorded as a prior period adjustment which decreased beginning net position by \$6,765,447.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Fines and forfeitures	\$ 825,000	\$ 775,000	\$ 722,874	\$ (52,126)
Intergovernmental revenue:				
Federal grants	700,000	764,000	857,929	93,929
City of Baton Rouge	7,657,390	7,657,390	7,741,451	84,061
State of Louisiana	2,609,500	2,675,500	2,687,096	11,596
Check collection fees	15,000	7,500	5,398	(2,102)
Narcotic seizure fees	125,000	260,000	253,516	(6,484)
Pre-trial intervention program fees	800,000	700,000	691,356	(8,644)
Other	389,200	614,200	587,266	(26,934)
Interest	11,000	2,000	2,118	118
Total Revenues	<u>13,132,090</u>	<u>13,455,590</u>	<u>13,549,004</u>	<u>93,414</u>
<u>EXPENDITURES</u>				
Public safety:				
Current operating:				
Personnel service	11,430,259	11,358,265	11,408,293	(50,028)
Auto and equipment	224,200	221,700	178,267	43,433
Supplies and office	320,970	318,470	470,578	(152,108)
Professional services	754,550	710,596	798,878	(88,282)
Other	295,950	247,550	169,209	78,341
Capital outlay	55,000	206,981	214,693	(7,712)
Total Expenditures	<u>13,080,929</u>	<u>13,063,562</u>	<u>13,239,918</u>	<u>(176,356)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>51,161</u>	<u>392,028</u>	<u>309,086</u>	<u>(82,942)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in/(out)	-	-	107,346	107,346
<u>NET CHANGE IN FUND BALANCE</u>	<u>51,161</u>	<u>392,028</u>	<u>416,432</u>	<u>24,404</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>1,470,626</u>	<u>1,526,760</u>	<u>1,526,760</u>	-
End of year	<u>\$ 1,521,787</u>	<u>\$ 1,918,788</u>	<u>\$ 1,943,192</u>	<u>\$ 24,404</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

CHILD SUPPORT ENFORCEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental revenue:				
Louisiana Department of Social Services	\$ 1,379,925	\$ 1,268,940	\$ 1,271,819	\$ 2,879
Interest	-	109	111	2
Total Revenues	<u>1,379,925</u>	<u>1,269,049</u>	<u>1,271,930</u>	<u>2,881</u>
<u>EXPENDITURES</u>				
Health and welfare:				
Current operating:				
Personnel service	1,296,859	1,110,070	1,109,510	560
Auto and equipment	-	9,809	7,735	2,074
Supplies and office	18,066	25,380	14,896	10,484
Professional services	20,000	13,521	14,476	(955)
Other	37,000	12,162	28,237	(16,075)
Capital Outlay	8,000	1,980	-	1,980
Total Expenditures	<u>1,379,925</u>	<u>1,172,922</u>	<u>1,174,854</u>	<u>(1,932)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	-	96,127	97,076	949
<u>OTHER FINANCING SOURCES/(USES)</u>				
Transfers in/(out)	-	-	(107,346)	(107,346)
<u>NET CHANGE IN FUND BALANCE</u>				
	-	96,127	(10,270)	(106,397)
<u>FUND BALANCE</u>				
Beginning of year	139,167	125,467	125,467	-
End of year	<u>\$ 139,167</u>	<u>\$ 221,594</u>	<u>\$ 115,197</u>	<u>\$ (106,397)</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL OTHER
POST-EMPLOYMENT BENEFIT LIABILITY**

<u>OPEB Plan</u>	<u>* Fiscal year ending December 31,</u>	<u>Proportion of total OPEB liability</u>	<u>** Proportionate share of total OPEB liability</u>	<u>Covered-employee payroll</u>	<u>Proportionate share of the total OPEB liability as a percentage of its covered employee payroll</u>
City-Parish Plan	2021	2.12%	\$ 28,754,772	\$ 3,628,225	792.53%
City-Parish Plan	2020	2.10%	\$ 31,215,370	\$ 3,610,062	864.68%
City-Parish Plan	2019	2.07%	\$ 27,413,856	\$ 6,352,589	431.54%
City-Parish Plan	2018	2.49%	\$ 32,949,840	\$ 6,416,235	513.54%

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

There are no assets accumulated in a trust that meets the criteria of Paragraph 4 of GASB 75 for this OPEB plan.

Changes in assumptions -

Discount rate as of 12/31/2020 was 2.12%.

Discount rate as of 12/31/2019 was 2.74%.

Discount rate as of 12/31/2018 was 4.10%.

Discount rate as of 12/31/2017 was 3.44%.

** The following amounts are reported as of the measurement date which is 12 months prior to the fiscal year end.*

*** The following amounts for fiscal year ending 2018, 2019 and 2020 have been restated. Refer to note 12 in the accompanying notes to the financial statements.*

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)						
	2021	2.4672%	\$ 14,418,090	\$ 3,329,869	432.9927%	68.78%
	2020	2.5939%	16,323,918	3,510,774	464.9664%	65.47%
	2019	2.7907%	20,467,907	3,742,807	546.8598%	59.36%
	2018	2.7849%	14,911,275	3,640,874	409.5521%	68.80%
	2017	2.2565%	13,409,150	3,249,903	412.6015%	64.09%
	2016	2.1643%	12,483,496	3,101,168	402.5418%	63.95%
	2015	2.3037%	10,130,058	3,129,883	323.6561%	70.90%
District Attorneys' Retirement System (DARS)						
	2021	3.8068%	\$ 677,735	\$ 2,382,617	28.4450%	96.79%
	2020	3.7590%	2,978,184	2,331,903	127.7147%	84.86%
	2019	4.1554%	1,336,813	2,442,130	54.7396%	93.13%
	2018	4.5273%	1,456,852	2,775,361	52.4923%	92.92%
	2017	4.4542%	1,201,381	2,676,412	44.8877%	93.57%
	2016	4.0390%	773,096	2,507,093	30.8364%	95.09%
	2015	4.2494%	228,896	2,486,191	9.2067%	98.56%

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

(*) The amounts presented have a measurement date of the previous fiscal year end as follows:

CPERS - December 31

DARS - June 30

Changes in assumptions - discount rate

	<u>CPERS</u>	<u>DARS</u>
2021	7.00%	6.10%
2020	7.00%	6.25%
2019	7.04%	6.50%
2018	7.25%	6.50%
2017	7.25%	6.75%
2016	7.25%	7.00%
2015	7.50%	7.00%

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO RETIREMENT SYSTEMS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS)						
	2021	\$ 1,193,479	\$ 1,193,479	\$ -	\$ 3,480,970	34.2858%
	2020	1,103,193	1,103,193	-	3,329,869	33.1302%
	2019	1,084,563	1,084,563	-	3,510,774	30.8924%
	2018	1,174,881	1,174,881	-	3,742,807	31.3904%
	2017	1,052,130	1,052,130	-	3,640,874	28.8977%
	2016	884,258	884,258	-	3,249,903	27.2088%
	2015	820,232	820,232	-	3,101,168	26.4491%
District Attorneys' Retirement System (DARS)						
	2021	\$ 163,782	\$ 163,782	\$ -	\$ 2,422,629	6.7605%
	2020	93,963	93,963	-	2,335,053	4.0240%
	2019	61,572	61,572	-	2,351,239	2.6187%
	2018	-	-	-	2,614,860	0.0000%
	2017	-	-	-	2,814,164	0.0000%
	2016	43,328	43,328	-	2,522,052	1.7180%
	2015	132,135	132,135	-	2,521,506	5.2403%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered payroll*

² *Actual employer contributions remitted to Retirement Systems*

SUPPLEMENTARY INFORMATION

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

District Attorney Hillar Moore

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 190,020
Benefits-insurance	14,559
Benefits-retirement	25,753
Phone allowance	1,300
Vehicle provided by government	10,750
Vehicle maintenance allowance	1,200
Per diem	1,126
Travel	2,381
Registration fees	1,638
Lodging	1,269
	<u>\$ 249,996</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

PRETRIAL INTERVENTION PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

REVENUES

Charges for services	\$ 691,356
Total operating revenues	<u>691,356</u>

EXPENDITURES

Salaries	406,811
Employee benefits	266,270
Payroll taxes	5,136
Workers' comp	312
Insurance	4,022
Professional services	38,416
Repairs and maintenance	1,923
Supplies	3,768
Printing	2,287
Telephone	3,000
Internet	672
Dues and conferences	150
Computer	764
Translation	70
Total operating expenditures	<u>733,601</u>

Net revenues (expenditures)	<u>\$ (42,245)</u>
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In accordance with the Louisiana Revised Statute 16:17, The surplus generated from administering the PTI program is used to fund the victims assistance programs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended 06/30/2021	Second Six Month Period Ended 12/31/2021
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 148,231	\$ 81,726
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	930,317	1,043,822
Pre-Trial Diversion Program Fees	404,357	286,998
Criminal Court Costs/Fees	36,130	32,560
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	311,849	277,503
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	87	109
Other (<i>do not include collections that fit into more specific categories above</i>)	19,564	8,900
Subtotal Collections	1,702,304	1,649,892
Less: Disbursements To Governments & Nonprofits: (<i>Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.</i>)		
Baton Rouge City Police Department - Asset Forfeiture/Sale	25,249	48,699
East Baton Rouge Parish Sheriff - Asset Forfeiture/Sale	475,829	189,976
Louisiana State Police - Asset Forfeiture/Sale	-	1,151
19th Judicial District Criminal Court - Asset Forfeiture/Sale	215,700	-
Other Governments and Nonprofits - Asset Forfeiture/Sale	110,453	55,914
Agency name/collection type	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Self-Disbursed - Restitution	32,892	39,806
Self-Disbursed - Asset Forfeiture/Sale	169,668	83,848
Self-Disbursed - Pre-Trial Diversion Program	404,357	286,998
Self-Disbursed - Criminal Court Costs/Fees	36,130	32,560
Self-Disbursed - Other	19,564	8,900

(Continued)

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended 06/30/2021	Second Six Month Period Ended 12/31/2021
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	278,967	237,706
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	1,768,809	985,558
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 81,726	\$ 746,060

Ending Balance of "Partial Payments" Collected but not Disbursed *(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.*

-	-
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Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2021

First Six Month Period Ended 06/30/2021	Second Six Month Period Ended 12/31/2021
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Receipts From: *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

East Baton Rouge Parish Sheriff/ Criminal Court Costs/Fees	\$ 353,157	\$ 294,030
East Baton Rouge Parish Sheriff/ Bond Fees	51,764	48,683
Other/ Other	-	-
Subtotal Receipts	\$ 404,921	\$ 342,713

Ending Balance of Amounts Assessed but Not Received *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
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Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND BY
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**

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, 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 Nineteenth Judicial District (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 24, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control.

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 District Attorney's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies 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 financial statements. 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 District Attorney'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 District Attorney's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 24, 2022

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

The Honorable Hillar Moore
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited District Attorney of the Nineteenth Judicial District's (the "District Attorney"), a component unit of the City of Baton Rouge/Parish of East Baton Rouge, 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, 2021. 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 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, 2021.

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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 relating 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.

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. *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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 24, 2022

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND RELATED NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor Pass-Through Grantor Program</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services Passed Through the <u>Louisiana Department of Social Services</u>			
Child Support Enforcement Title IV-D	93.563	1304LA4004	\$ 1,271,819
U.S. Department of Justice Passed Through <u>Louisiana Commission of Law Enforcement</u>			
Crime Victim Assistance	16.575	5266	27,823
Crime Victim Assistance	16.575	5227	101,758
Crime Victim Assistance	16.575	5251	97,700
Crime Victim Assistance	16.575	5769	101,651
Crime Victim Assistance	16.575	5771	78,371
Crime Victim Assistance	16.575	5773	30,868
Violence Against Women Formula Grant	16.588	5965	22,665
Violent Crime Prosecution	16.738	6145	14,008
Violent Crime Prosecution	16.738	5662	14,431
Coronavirus Emergency Supplemental Funding	16.034	5534	<u>30,000</u>
Total passed through Louisiana Commission of Law Enforcement			519,275
Smart Prosecution Initiative	16.825	2018-YX-BX-0003	67,400
Smart Prosecution Initiative	16.825	2020-YX-BX-0017	61,686
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DG-BX-0008	<u>209,568</u>
Total U.S. Department of Justice			<u>857,929</u>
Total Federal Expenditures			<u>\$ 2,129,748</u>

Note A – Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of District Attorney of the Nineteenth Judicial District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note B – Reconciliation to Financial Statements

Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with revenue reported. The revenues for the Title IV-D program and the remaining law enforcement grant programs are reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances as \$1,271,819, and \$857,929, respectively.

Note C – De-Minimis Indirect Cost Rate

The District Attorney has a negotiated indirect cost rate for Title IV D and uses the 10% de minimis cost rate for law enforcement programs directly funded by the U.S. Department of Justice. The District Attorney has elected to not use the 10% de minimis indirect cost rate for the remaining programs.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR Section 200.516(a)? _____ yes X no

Identification of major programs:

CFDA Numbers
93.563

Name of Federal Program or Cluster
Title IV-D

The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.

The District Attorney was determined to be a low-risk auditee.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings – Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs

None.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL
DISTRICT**

**LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The District Attorney of the Nineteenth Judicial District's (the District Attorney) management is responsible for those C/C areas identified in the SAUPs.

The District Attorney has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the District Attorney to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 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.



Baton Rouge, Louisiana
June 24, 2022

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *“no exception noted”* or for step 25 *“we performed the procedure and discussed the results with management”*. If not, then a description of the exception ensues.

A - Written Policies and Procedures

1. 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):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

c) ***Disbursements***, including processing, reviewing, and approving

No exceptions noted.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

A - Written Policies and Procedures (continued)

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- i) ***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.

The District Attorney has written policies for Ethics; however, the policy does not specifically address attributes (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.

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions noted.

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The District Attorney has written policies for Disaster Recovery/ Business Continuity; however, the policy does not specifically address attributes (4) use of antivirus software on all systems and (5) timely application of system and software patches\updates.

- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

B - Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure is not applicable to entities managed by a single elected official. The District Attorney is a single elected official who manages the District Attorney's Office. As such, this procedure is not applicable.

- b) 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. *Alternately, for those entities reporting on the nonprofit 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.*

Procedure is not applicable to entities managed by a single elected official. The District Attorney is a single elected official who manages the District Attorney's Office. As such, this procedure is not applicable.

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

Procedure is not applicable to entities managed by a single elected official. The District Attorney is a single elected official who manages the District Attorney's Office. As such, this procedure is not applicable.

C - Bank Reconciliations

3. 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:

A listing of bank accounts was provided and included a total of 8 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

C - Bank Reconciliations (continued)

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending December 31, 2021, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

- c) 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.

Of the 5 bank accounts selected, 2 bank reconciliations had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

D - Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 2 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected both deposit sites and performed the procedures below.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 6 collection locations. No exceptions were noted as a result of performing this procedure.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

D - Collections (excluding electronic funds transfers) (continued)

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees responsible for cash collections do not share cash drawers/registers.

For all of the locations selected for our procedures, the employees responsible for cash collections share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Five of the six employees who are responsible for cash collections are not bonded and/or covered under the District Attorney's insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

D - Collections (excluding electronic funds transfers) (continued)

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe 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).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided and included one disbursement location. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the single payment processing location and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

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

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

The District Attorney's purchasing policy does not utilize a purchase order system nor does it require two employees to be involved in initiating a request, approving a purchase, and placing an order/making the purchase. To mitigate the lack of a purchase order system, dual signatures are required on all checks and monthly budget to actual comparisons are reviewed by the Chief of Administration.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

The Finance Director and Grants Manager are responsible for processing payments and both have the ability to add / modify vendors in the accounting system. The financial policy stipulates that only the Finance Director has the authority to set up vendors in the accounting system.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Finance Director, not an authorized signer, is responsible for processing payments and mailing signed checks.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

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

- a) Observe whether the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Based on testing performed we noted the same exceptions identified at 9a, 9c and 9d for all 5 disbursements tested.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

12. 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:

From the listing provided, we randomly selected 5 cards (4 credit cards and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- a) 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

F - Credit Cards/Debit Cards/Fuel Cards/P-Cards (continued)

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We randomly selected 10 transactions (or all transactions if less than 10) for 4 of the 5 cards selected in procedure #12 (1 fuel card excluded) and performed the specified procedures. No exceptions noted.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, observe 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).

Of the 5 reimbursements selected for our procedures, 2 used a per diem. No exceptions noted.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Of the 5 reimbursements selected for our procedures, 3 used reimbursement using actual costs. No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

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

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

No exceptions noted.

H - Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- a) 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.

Of the 5 contracts selected for our procedures, none were subject to Louisiana Public Bid Law. No exceptions noted.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe 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, was approval documented).

Of the 5 contracts selected for our procedures, 2 were amended with change orders. No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

I - Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

I - Payroll and Personnel (continued)

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.

19. 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.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions noted.

K - Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each bond/note issued.

Not applicable.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

K - Debt Service (continued)

22. 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).

Not applicable.

L - Fraud Notice

23. 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.

The District Attorney stated there were no misappropriations of public funds and assets during the fiscal period. As such, procedures is not applicable.

24. Observe 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.

M - Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedures and discussed the results with management, noting no exceptions.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedures and discussed the results with management, noting no exceptions.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2021**

Schedule A

M - Information Technology Disaster Recovery/Business Continuity (continued)

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management, noting no exceptions.

N - Sexual Harassment

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions noted.

- 27. Observe 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).

No exceptions noted.

- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

- b) Number of sexual harassment complaints received by the agency;

No exceptions noted.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

- e) Amount of time it took to resolve each complaint.

No exceptions noted.

**DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
DECEMBER 31, 2021**

Schedule B

The District Attorney of the Nineteenth Judicial District (District Attorney) provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below.

Policies & Procedures

The District Attorney will develop/write new and/or amended existing policies and procedures as well as reemphasize existing policies and procedures where applicable to address the findings noted in this section.

Bank Reconciliations

The District Attorney has adopted a policy whereby outstanding checks aged greater than 12 months are reviewed at least annually. This review was performed but, we acknowledge that there is no documentation evidencing this review. The District Attorney will implement new documentation standards by September 30, 2022, that evidence such reviews.

Collections (excluding electronic funds transfers)

The District Attorney acknowledges that employees share cash drawers/registers and that employees who have access to cash are not bonded or covered by the District Attorney's insurance policy. The District Attorney has adopted policies and procedures stating that an annual assessment of the volume and risk, as well as mitigating controls over collections will be completed to determine the need for bonding employees and increasing the number of cash drawers/registers. The District Attorney will document his annual assessment of the volume and risk, as well as mitigating controls over collections as part of the annual review of policies and procedures.

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

The District Attorney acknowledges that a purchase order system is not utilized and that individuals who are responsible for processing payments have access to add/modify vendors in the accounting system. The District Attorney further acknowledges that the finance director who processes payments also mails signed checks. It should be noted that invoices are approved prior to payment. In addition, mitigating controls include requiring dual signatures on all checks and a budget to actual comparison performed periodically by the Chief of Administration. The District Attorney has adopted policies and procedures stating that an annual assessment of the volume and risk, as well as mitigating controls over disbursements will be completed to determine the need to implement a formal purchase order system and/or shift responsibilities to segregate duties further. The District Attorney will document his annual assessment of the volume and risk, as well as mitigating controls over collections as part of the annual review of policies and procedures.