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November 18, 2015

Louisiana Legislative Auditor  
c/o Suzanne H. Elliott, CPA  
P.O. Box 94397  
Baton Rouge, La 70804-9397

RE: Resubmission of financial statements for the District Attorney of the 22<sup>nd</sup> Judicial District Court  
12/31/14, ID 1349

Dear Ms. Elliott:

We are resubmitting the above financial statements for the following reason:

A revenue item was recorded on the incorrect line on the fund basis financial statements.

Please let us know if you have any questions or need additional information.

Sincerely,

Patrick "Bryan" Huval, CPA  
Director, Audit and Assurance Services

Attachment

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 25 2015

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REISSUE

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

Annual Financial Statements

December 31, 2014

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary funds of the District Attorney of the Twenty-Second Judicial District (the District Attorney), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary funds of the District Attorney of the Twenty-Second Judicial District as of December 31, 2014, 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.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information beginning on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The schedule of compensation, benefits and other payments to agency head, as required by Louisiana Revised Statute 24:513 A(3), is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the 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 amounts paid by the District Attorney included on the schedules of compensation, benefits and other payments to agency head and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015, on our consideration of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
June 25, 2015

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
 St. Tammany and Washington Parishes, Louisiana  
 Statement of Net Position  
 December 31, 2014**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 990,878
Receivables	182,097
Capital Assets, Net of Accumulated Depreciation	<u>39,795</u>
<b>Total Assets</b>	<u>1,212,770</u>
<b>Liabilities</b>	
Accounts Payable and Accrued Liabilities	<u>110,068</u>
<b>Total Liabilities</b>	<u>110,068</u>
<b>Net Position</b>	
Net Investment in Capital Assets	39,795
Unrestricted	<u>1,062,907</u>
<b>Total Net Position</b>	<u>\$ 1,102,702</u>

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
 St. Tammany and Washington Parishes, Louisiana  
 Statement of Activities  
 For the Year Ended December 31, 2014**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Change in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities</b>				
Judicial	\$ 3,336,896	\$ 2,325,742	\$ 1,396,804	\$ 385,650
<b>Total</b>	<b>\$ 3,336,896</b>	<b>\$ 2,325,742</b>	<b>\$ 1,396,804</b>	<b>385,650</b>
<b>General Revenues</b>				
Miscellaneous				14,847
Interest and Investment Earnings				3,089
<b>Total General Revenues</b>				<b>17,936</b>
<b>Change in Net Position</b>				<b>403,586</b>
<b>Net Position, Beginning of Year (As Previously Reported)</b>				<b>712,751</b>
<b>Prior Period Adjustment</b>				<b>(13,635)</b>
<b>Net Position, Beginning of Year (As Restated)</b>				<b>699,116</b>
<b>Net Position, End of Year</b>				<b>\$ 1,102,702</b>

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

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
 St. Tammany and Washington Parishes, Louisiana  
 Balance Sheet  
 Governmental Funds  
 December 31, 2014**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 720,441	\$ 270,437	\$ 990,878
Receivables	81,152	100,945	182,097
<b>Total Assets</b>	<b>\$ 801,593</b>	<b>\$ 371,382</b>	<b>\$ 1,172,975</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 42,771	\$ 67,297	\$ 110,068
<b>Total Liabilities</b>	<b>42,771</b>	<b>67,297</b>	<b>110,068</b>
<b>Fund Balances</b>			
Assigned	-	304,085	304,085
Unassigned	758,822	-	758,822
<b>Total Fund Balances</b>	<b>758,822</b>	<b>304,085</b>	<b>1,062,907</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 801,593</b>	<b>\$ 371,382</b>	<b>\$ 1,172,975</b>

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
St. Tammany and Washington Parishes, Louisiana  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2014.**

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<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 1,062,907</b>
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Amounts reported for governmental activities in the  
Statement of Net Position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>39,795</u>
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<b>Net Position of Governmental Activities</b>	<b><u>\$ 1,102,702</u></b>
--	----------------------------

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
St. Tammany and Washington Parishes, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balances  
December 31, 2014**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Revenues</b>			
Program Revenues			
Intergovernmental Revenue:			
Federal Grants	\$ -	\$ 1,306,804	\$ 1,306,804
State of Louisiana - victim assistance	-	90,000	90,000
St. Tammany Parish - supplemental salaries	1,024	90,350	91,374
Diversionary Program	-	804,799	804,799
Commissions on Fines and Forfeitures	1,015,417	-	1,015,417
Other local support	-	210,256	210,256
Fees - Fees Account	-	105,654	105,654
Bond Forfeiture	50,352	-	50,352
Asset Forfeiture Revenue	47,890	-	47,890
Other Revenue	14,815	32	14,847
Use of Money and Property - Interest Earnings	2,844	245	3,089
<b>Total Revenues</b>	<b>1,132,342</b>	<b>2,608,140</b>	<b>3,740,482</b>
<b>Expenditures</b>			
General Government - Judicial			
Salaries and Related Benefits	-	2,221,242	2,221,242
Professional Services	177,656	68,207	245,863
Materials and Supplies			
Office	121,383	27,028	148,411
Automobile	220,703	-	220,703
Travel	2,790	24,936	27,726
Other Expenditures	238,136	118,024	356,160
Capital Expenditures	66,549	467	67,016
<b>Total Expenditures</b>	<b>827,217</b>	<b>2,459,904</b>	<b>3,287,121</b>
<b>Excess of Revenues Over Expenditures</b>	<b>305,125</b>	<b>148,236</b>	<b>453,361</b>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	16,800	-	16,800
Operating Transfers Out	-	(16,800)	(16,800)
<b>Total Other Financing Sources (Uses)</b>	<b>16,800</b>	<b>(16,800)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>321,925</b>	<b>131,436</b>	<b>453,361</b>
<b>Fund Balances, Beginning of Year (As Previously Reported)</b>	<b>436,897</b>	<b>186,284</b>	<b>623,181</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(13,635)</b>	<b>(13,635)</b>
<b>Fund Balances, Beginning of Year (As Restated)</b>	<b>436,897</b>	<b>172,649</b>	<b>609,546</b>
<b>Fund Balances, End of Year</b>	<b>\$ 758,822</b>	<b>\$ 304,085</b>	<b>\$ 1,062,907</b>

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
St. Tammany and Washington Parishes, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2014**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 453,361</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

(49,775)

**Change in Net Position of Governmental Activities**

**\$ 403,586**

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

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
 St. Tammany and Washington Parishes, Louisiana  
 Statement of Fiduciary Net Position  
 December 31, 2014**

	<b>Asset Forfeiture</b>	<b>Bond Forfeiture</b>	<b>Restitution</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 842,492	\$ 76,337	\$ 99,829	\$1,018,658
<b>Total Assets</b>	<b>\$ 842,492</b>	<b>\$ 76,337</b>	<b>\$ 99,829</b>	<b>\$1,018,658</b>
<b>Liabilities</b>				
Due to Others	\$ 842,492	\$ 76,337	\$ 99,829	\$1,018,658
<b>Total Liabilities</b>	<b>\$ 842,492</b>	<b>\$ 76,337</b>	<b>\$ 99,829</b>	<b>\$1,018,658</b>

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



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

**Notes to Financial Statements**

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**Introduction**

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

**Note 1. Summary of Significant Accounting Policies**

**Basis of Presentation**

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

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

**Reporting Entity**

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

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

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**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 or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

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

General Fund - The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent of the fines collected and bonds forfeited be remitted to the District Attorney to defray the necessary expenditures of his office. Additionally, the General Fund of the District Attorney consists of the following:

- **\$10 Court Cost - Act 293** - These fees are collected in compliance with Louisiana Revised Statute 16:16. In all criminal cases over which the District Attorney has jurisdiction, a nonrefundable sum of ten dollars is taxed as costs against every defendant who is convicted after trial, pleads guilty, or who forfeits a bond. This fee is in addition to all other fines, costs, or forfeitures lawfully imposed. The sums collected are to be used at the discretion of the District Attorney in defraying the expenditures of his office.
- **\$10 Court Cost - Act 1443** - These fees are collected in compliance with Louisiana Revised Statute 16:16.1. In all criminal cases over which the District Attorney has jurisdiction, a nonrefundable sum of ten dollars is taxed as costs against every defendant who is convicted after trial, pleads guilty, or who forfeits a bond. This fee is in addition to all other fines, costs, or forfeitures lawfully imposed. The sums collected are to be used at the discretion of the District Attorney in defraying the expenditures of his office.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Continued)**

**Governmental Funds (Continued)**

- Commercial Bond Forfeitures - These fees are collected in compliance with Louisiana Revised Statute 15:571, which provides that all fines and forfeitures imposed by the district courts and collected by the sheriff or executive officer of the court for violations of municipal ordinances be disbursed. Of the total disbursement, twelve percent shall be remitted to the Office of the District Attorney, which may be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Criminal Bail Bond Fees - These fees are collected in compliance with Louisiana Revised Statute 22:1065.1, which provides that there shall be a fee on premiums for all commercial surety underwriters who write criminal bail bonds in the State of Louisiana. That fee shall be equal to two hundred dollars for each ten thousand dollars worth of liability underwritten by the commercial surety. Of these fees, the District Attorney's Office shall receive twenty-five percent, which is to be used for operating expenses.
- \$7 Criminal Bond Fees - These fees are collected in compliance with Louisiana Revised Statute 15:851, which provides that a fee of fifteen dollars shall be collected by the sheriff's office from every person seeking release by means of a criminal bond, or from their designated representative. Of the total fee, seven dollars shall be remitted to the Office of the District Attorney, which may be used at the discretion of the District Attorney in defraying the expenditures of his office.
- Special Asset Forfeitures - These fees are collected in compliance with Louisiana Revised Statute 40:2616(B), which provides that all monies obtained in relation to the seizure and forfeiture from illegal drugs shall be deposited in this fund. Of these monies, the District Attorney's Office shall receive twenty percent after the payments made for satisfaction of any bona fide security interest or lien, and after the payment of all proper expenses of the proceedings for forfeiture and sale. This twenty percent shall be paid into the fund to be used for public purposes, including, but not limited to, use for prosecution, rewards, support, and continuing legal education.
- Suspended Drivers License Fee - These fees are collected in compliance with Louisiana Revised Statute 32:57.1 which provides that a fee of twenty-five dollars shall be collected to defray the costs of the prosecuting authority in handling such renewal and issuance of the suspended drivers license.
- Costs for Prosecution Expenses Fee - These fees are collected in compliance with Louisiana Revised Statute 16:16.2 which provides that a fee of five dollars be taxed against for every defendant who is convicted after trial or pleads nolo contendere or against whom a judgment of bond forfeiture has been rendered.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Continued)**

**Governmental Funds (Continued)**

Special Revenue Fund - This fund is used to account for fees, fines, and costs collected for a specified purpose including the diversionary program operated by the District Attorney or grant amounts received to be used for specific purposes that deal with the prosecution. The special revenue fund of the District Attorney also consists of the following:

- Title IV-D Fund - consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.
- Worthless Checks Collection Fee Fund - consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

**Fiduciary Fund Type Agency Fund**

Agency Funds – these 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 Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District Attorney has established the following agency funds:

- Asset Forfeiture Fund - is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
- Bond Forfeiture Fund - is used as a depository for bonds forfeited to the District Attorney's office. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
- Restitution Fund - is used as a depository for funds to be distributed to those harmed by receiving worthless checks.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus / Basis of Accounting**

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

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

Governmental and Agency Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

**Budgets**

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

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

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Budgets (Continued)**

5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. All budgetary appropriations lapse at the end of each fiscal year.

**Cash and Cash Equivalents**

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

**Capital Assets**

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

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

<b>Description</b>	<b>Estimated Lives</b>
Automobile	5 Years
Leasehold Improvements	15 Years
Equipment, Furniture and Fixtures	5 to 10 Years
Software	3 Years

**Equity Classifications**

Government-wide net position is divided into three components:

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

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Equity Classifications (Continued)**

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

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

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

**Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

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

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Estimates**

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

**New Accounting and Reporting Pronouncements**

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The adoption of this Statement in 2014 did not have any impact on the District Attorney's financial statements.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, in June 2012. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pension. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The District Attorney is working with their retirement systems and plans on implementing GASB Statement No. 68 in the year ending December 31, 2015. The financial impact of this Statement is unknown.

The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. The adoption of this Statement in 2014 did not have any impact on the District Attorney's financial statements.

The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, in April 2013. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. The adoption of this Statement in 2014 did not have any impact on the District Attorney's financial statements.



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

**Notes to Financial Statements**

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**Note 2. Cash and Cash Equivalents**

At December 31, 2014, the District Attorney had cash and cash equivalents (book balances) totaling \$990,878, which are in demand deposit, interest-bearing demand deposit accounts and certificates of deposits with maturities of less than 90 days.

At December 31, 2014, the District Attorney maintained cash balances of \$1,018,658 in the agency funds, which is not reflected in the statement of net position. These deposits are stated at cost which approximates market.

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the District Attorney's deposits may not be recovered. As of December 31, 2014, \$1,236,478 of the District Attorney's bank balance of \$2,087,545 was exposed to custodial credit risk. However, these deposits are secured from risk by federal deposit insurance and the pledge of securities owned by the fiscal agent bank. These securities are being held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the District Attorney and the fiscal agent bank

Under state law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent bank. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**Note 3. Accounts Receivable**

The following is a summary of accounts receivable, which management believes are fully collectable at December 31, 2014:

<b>Class of Receivable</b>	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Total</b>
Fees, Fines and Charges for Services	\$ 81,152	\$ -	\$ 81,152
Intergovernmental Revenues	-	100,945	100,945
<b>Total</b>	<b>\$ 81,152</b>	<b>\$ 100,945</b>	<b>\$ 182,097</b>

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

**Notes to Financial Statements**

**Note 4. Capital Assets**

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Automobile	\$ 448,263	\$ -	\$ -	\$ 448,263
Leasehold Improvements	122,355	-	-	122,355
Equipment, Furniture and Fixtures	760,615	-	-	760,615
Software	86,628	-	-	86,628
<b>Total Capital Assets</b>	1,417,861	-	-	1,417,861
Less: Accumulated Depreciation	(1,328,291)	(49,775)	-	(1,378,066)
<b>Total Capital Assets, Net</b>	<u>\$ 89,570</u>	<u>\$ (49,775)</u>	<u>\$ -</u>	<u>\$ 39,795</u>

**Note 5. Pension Plans**

The District Attorney participates in two cost-sharing, multiple employer, public employees retirement systems (PERS). The district attorney and assistant district attorneys are members of the District Attorneys' Retirement System. Other personnel of the District Attorney's office are members of the Parochial Employees' Retirement System of Louisiana, Plan A. These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

A. Louisiana District Attorneys' Retirement System

The District Attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System (LDARS). LDARS is a multiple employer cost sharing, defined benefit, statewide public employee retirement system administered and controlled by a separate board of trustees.

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

**Notes to Financial Statements**

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**Note 5. Pension Plans (Continued)**

**A. Louisiana District Attorneys' Retirement System (Continued)**

Assistant District Attorneys who earn, as a minimum, the amount paid by the State for Assistant District Attorneys and are under the age of 60 at the time of original employment, are required to participate in LDARS. For members who joined LDARS before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age, may retire with a 3% benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3% benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3% benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3% of the member's average final compensation multiplied by the number of years of membership service, not to exceed 100% of average final compensation.

For members who joined LDARS after July 1, 1990, or who elected to be covered by the new provisions, the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's average final compensation multiplied by years of membership service. The calculation of average salary restricts increases in non-state compensation to 110% for each of the final five years utilized. Fees earned in connection with official duties are not included in average final compensation. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

LDARS also provides death and disability benefits. Benefits are established or amended by state statute. Optional benefits are available at the time of retirement. These benefits have to be computed on an actuarial basis at that time based on their attained age and that of their beneficiary.

Should a member become disabled and not able to work after having acquired 10 years of service in LDARS, the member may be eligible for disability retirement benefits of 3.5% times the years of actual service times the best five year average salary with a minimum of 15 years, or actual service plus the number of years to age 60, whichever is less.

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

**Notes to Financial Statements**

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**Note 5. Pension Plans (Continued)**

**A. Louisiana District Attorneys' Retirement System (Continued)**

Any member who has at least 10 years of creditable service may be retired by the Board of Trustees providing the Medical Disability Board, after a medical examination, shall certify that the member is mentally or physically incapacitated for the further performance of duty; that such incapacity is likely to be permanent; and that the member should be retired. Upon application for disability retirement, the retirement office must be provided with a complete medical statement from the attending physician concerning the nature and seriousness of the disability.

Upon the death of any active contributing member with less than 5 years of creditable service, his accumulated contributions and interest thereon shall be paid to his surviving spouse if he is married, otherwise to his designated beneficiary, if any, or to the member's estate.

Upon the death of any active contributing member with 5 or more years of creditable service, or any member with 23 years of service who has not retired, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefit varies according to each member's family situation.

This retirement system is funded by employee contributions and a percentage of taxes and revenue sharing funds, and, if required, employer contributions.

Members contribute to the retirement systems on their total salary from all sources; salary paid by the State of Louisiana; salary paid by the Parish; or any other governing body of a parish or political subdivision of the State of Louisiana, etc. At the present time, this percentage is 8%.

LDARS issues an annual publicly available financial report that includes financial statements and required supplementary information for LDARS. That report may be obtained by writing the Louisiana District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802-8143, or by calling (225) 267-4824.

Contribution requirements for the year are as follows:

	<b>Member</b>	<b>Employer</b>	<b>Total</b>
<b>Contribution Rate:</b>			
January 1 - June 30	8%	9.75%	
July 1 - December 31	8%	7.00%	
Contribution Requirement	\$ 70,697	\$ 72,974	\$ 143,671

The District Attorney's contributions to LDARS for the years ended December 31, 2014, 2013, and 2012 were \$72,974, \$92,442, and \$106,204, respectively.

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

**Notes to Financial Statements**

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**Note 5. Pension Plans (Continued)**

**B. Parochial Employees' Retirement System of Louisiana**

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

**Plan Description**

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the Parochial System, except for the District Attorney and assistant District Attorneys who are covered by their own retirement plan. Under Plan A, employees who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their average final salary for each year of creditable service.

However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of average final salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of average final salary for each year of service credited after the revision date. Average final salary is the employee's average salary over the 60 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The Parochial System also provides death and disability benefits. Benefits are established or amended by state statute.

The Parochial System issues an annual publicly available financial report that includes financial statements and required supplementary information for the Parochial System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

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

**Notes to Financial Statements**

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**Note 5. Pension Plans (Continued)**

**B. Parochial Employees' Retirement System of Louisiana (Continued)**

**Funding Policy**

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary, and the District Attorney is required to contribute at an actuarially determined rate. The current rate is 16.00 percent of annual covered payroll. Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Parish are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the Parochial System under Plan A for the years ended December 31, 2014, 2013, and 2012 were \$121,315, \$138,671, and \$131,680, respectively.

**Note 6. Interfund Transfers**

Operating transfers for the year ended December 31, 2014, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 16,800	\$ -
Special Revenue Fund	-	16,800
<b>Total</b>	<b>\$ 16,800</b>	<b>\$ 16,800</b>

**Note 7. Excess Expenditures Over Appropriations**

During the year ended December 31, 2014, the General Fund's actual expenditures of \$827,217 exceeded budgeted expenditures of \$638,300, resulting in an unfavorable variance of \$188,917.

**Note 8. Prior Period Adjustment**

A prior period adjustment was recorded during the year ended December 31, 2014 to correct a cash balance at December 31, 2013 that was included in the special revenue fund but should have been included in the bond forfeiture agency fund.

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

**Notes to Financial Statements**

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**Note 9. Subsequent Events**

The Federal Bureau of Investigation (FBI) is currently performing an investigation related to the activities of the former District Attorney. In addition, the Louisiana Legislative Auditor is performing an investigation. As of the date of the audit report, June 25, 2015, the investigations were not complete and any effect of their findings is unknown.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
St. Tammany and Washington Parishes, Louisiana  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
For the Year Ended December 31, 2014**

	Budgetary Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Program Revenues				
Intergovernmental Revenue:				
St. Tammany Parish - Supplemental Salaries	\$ -	\$ -	\$ 1,024	\$ 1,024
Commissions on Fines and Forfeitures	895,000	895,000	1,015,417	120,417
Bond Forfeiture	180,000	180,000	50,352	(129,648)
Asset Forfeiture Revenue	85,000	85,000	47,890	(37,110)
Other Revenue	90,700	90,700	14,815	(75,885)
Use of Money and Property - Interest Earnings	2,500	2,500	2,844	344
<b>Total Revenues</b>	<b>1,253,200</b>	<b>1,253,200</b>	<b>1,132,342</b>	<b>(120,858)</b>
<b>Expenditures</b>				
General Government - Judicial				
Travel	800	800	2,790	(1,990)
Professional Fees	94,000	94,000	177,656	(83,656)
Materials and Supplies				
Office	116,500	116,500	121,383	(4,883)
Automobile	117,500	117,500	220,703	(103,203)
Capital Expenditures			66,549	(66,549)
Other Expenditures	309,500	309,500	238,136	71,364
<b>Total Expenditures</b>	<b>638,300</b>	<b>638,300</b>	<b>827,217</b>	<b>(188,917)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>614,900</b>	<b>614,900</b>	<b>305,125</b>	<b>(309,775)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	16,800	16,800
Operating Transfers Out	(575,000)	(575,000)	-	575,000
<b>Total Other Financing Sources (Uses)</b>	<b>(575,000)</b>	<b>(575,000)</b>	<b>16,800</b>	<b>591,800</b>
<b>Net Change in Fund Balances</b>	<b>\$ 39,900</b>	<b>\$ 39,900</b>	<b>321,925</b>	<b>\$ 282,025</b>
<b>Fund Balances, Beginning of Year</b>			<b>436,897</b>	
<b>Fund Balances, End of Year</b>			<b>\$ 758,822</b>	

See independent auditor's report.



**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
St. Tammany and Washington Parishes, Louisiana  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Special Revenue Funds  
For the Year Ended December 31, 2014**

	Budgetary Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Program Revenues				
Intergovernmental Revenue:				
Federal Grants	\$ 1,209,500	\$ 1,209,500	\$ 1,306,804	\$ 97,304
State of Louisiana - Victim Assistance	90,000	90,000	90,000	-
St. Tammany Parish - Supplemental Salaries	90,000	90,000	90,350	350
Diversionary Program	1,020,000	1,020,000	804,799	(215,201)
Other Local Support	-	-	210,256	210,256
Fees - Fees Account	120,800	120,800	105,654	(15,146)
Other Revenue	-	-	32	32
Use of Money and Property - Interest Earnings	200	200	245	45
<b>Total Revenues</b>	<b>2,530,500</b>	<b>2,530,500</b>	<b>2,608,140</b>	<b>77,640</b>
<b>Expenditures</b>				
General Government - Judicial				
Salaries and Benefits	\$ 2,729,500	2,729,500	\$ 2,221,242	508,258
Travel	-	-	24,936	(24,936)
Professional Services	-	-	68,207	(68,207)
Materials and Supplies				
Office	62,000	62,000	27,028	34,972
Capital Expenditures	-	-	467	(467)
Other Expenditures	254,300	254,300	118,024	136,276
<b>Total Expenditures</b>	<b>3,045,800</b>	<b>3,045,800</b>	<b>2,459,904</b>	<b>585,896</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(515,300)</b>	<b>(515,300)</b>	<b>148,236</b>	<b>663,536</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	575,000	575,000	-	(575,000)
Operating Transfers Out	-	-	(16,800)	(16,800)
<b>Total Other Financing Sources (Uses)</b>	<b>575,000</b>	<b>575,000</b>	<b>(16,800)</b>	<b>(591,800)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 59,700</b>	<b>\$ 59,700</b>	<b>131,436</b>	<b>\$ 71,736</b>
<b>Fund Balances, Beginning of Year (As Previously Reported)</b>			<b>186,284</b>	
<b>Prior Period Adjustment</b>			<b>(13,635)</b>	
<b>Fund Balances, Beginning of Year (As Restated)</b>			<b>172,649</b>	
<b>Fund Balances, End of Year</b>			<b>\$ 304,085</b>	

See independent auditor's report.

**OTHER SUPPLEMENTARY INFORMATION**



**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT**  
**St. Tammany and Washington Parishes, Louisiana**  
**Schedule of Compensation, Benefits and Other Payments**  
**to Agency Head**  
**For the Year Ended December 31, 2014**

**Agency Head**  
Walter Reed, District Attorney

**Amount Paid By:**

<b>Purpose</b>	<b>District Attorney Office (Audited)</b>	<b>St. Tammany Parish Government (Unaudited)</b>	<b>Washington Parish Government (Unaudited)</b>	<b>State of Louisiana (Unaudited)</b>	<b>Total</b>
Salary	\$113,009	\$21,357	\$8,584	\$50,000	\$192,950
Benefits - Insurance	\$0	\$5,843	\$9,347	\$0	\$15,190
Benefits - Retirement	\$9,041	\$2,160	\$719	\$4,000	\$15,920
Benefits - Other	\$0	\$0	\$0	\$0	\$0
Car Allowance	\$0	\$0	\$0	\$0	\$0
Vehicle Provided by Government	\$0	\$0	\$0	\$0	\$0
Per Diem	\$0	\$0	\$0	\$0	\$0
Reimbursements	\$418	\$0	\$0	\$0	\$418
Travel	\$0	\$0	\$0	\$0	\$0
Registration Fees	\$0	\$0	\$0	\$0	\$0
Conference Travel	\$0	\$0	\$0	\$0	\$0
Continuing Professional Education Fees	\$0	\$0	\$0	\$0	\$0
Housing	\$0	\$0	\$0	\$0	\$0
Unvouchered Expenses	\$0	\$0	\$0	\$0	\$0
Special Meals	\$0	\$0	\$0	\$0	\$0

See independent auditor's report.

**DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
 St. Tammany and Washington Parishes, Louisiana  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<b>United States Department of Health and Human Services</b>			
Passed through the Louisiana State Department of Social Services			
Child Support Enforcement	93.563	CFMS 722298	<u>\$ 1,159,701</u>
<b>Total United States Department of Health and Human Services</b>			<u>1,159,701</u>
<b>United States Department of Justice</b>			
Passed through the Louisiana Commission on Law Enforcement			
Crime Victim Assistance	16.575	2012-VA-04/02/03/01-1390	13,000
Crime Victim Assistance	16.575	2013-VA-04/03/02/01-1575	22,223
Crime Victim Assistance	16.575	C12-7-002	8,000
Crime Victim Assistance	16.575	C11-5-005	7,050
Crime Victim Assistance	16.575	C12-5-005	29,369
Violence Against Women Formula Grants	16.588	2013-WF-02-1770	27,143
Edward Byrne Memorial Justice Assistance Grant Program	16.738	B12-5-004	600
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-03-1420	6,515
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-02-1440	11,205
Edward Byrne Memorial Justice Assistance Grant Program	16.738	B12-5-003	3,800
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-02-1433	<u>18,198</u>
<b>Total United States Department of Justice</b>			<u>147,103</u>
<b>Total</b>			<u>\$ 1,306,804</u>

See independent auditor's report.

## OTHER REPORTS





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary funds of the District Attorney of the Twenty-Second Judicial District (the District Attorney), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated June 25, 2015.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies to be material weaknesses as described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-003 and 2014-004.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2014-002.

**District Attorney of the Twenty-Second Judicial District's Response to Findings**

The District Attorney's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District Attorney's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
June 25, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the District Attorney of the Twenty-Second Judicial District (the District Attorney) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the District Attorney's major federal program for the year ended December 31, 2014. The District Attorney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the District Attorney's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the District Attorney's compliance.

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### **Opinion on Each Major Federal Program**

In our opinion, the District Attorney complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

### **Report on Internal Control Over Compliance**

Management of the District Attorney is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District Attorney's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



A Professional Accounting Corporation

Covington, LA  
June 25, 2015

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

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2014**

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**Part 1 - Summary of Auditor's Results**

Financial Statements

- |  |            |
|--|------------|
| 1. Type of auditors' report issued:                          | Unmodified |
| 2. Internal control over financial reporting:                |            |
| a. Material weaknesses identified?                           | Yes        |
| b. Significant deficiencies identified?                      | No         |
| 3. Noncompliance material to the financial statements noted? | Yes        |

Federal Awards

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified?   | No         |
| 2. Noncompliance material to the financial statements noted?  | No         |
| 3. Type of auditor's report issued on compliance for major programs:  | Unmodified |
| 4. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133: | No         |
| 5. Identification of major programs:  |            |

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement

- |   |           |
|---|-----------|
| 6. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 7. Auditee qualified as low-risk auditee?                                   | Yes       |

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

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2014**

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**Part II - Financial Statements Findings**

**2014-001 Compensated Absences Policy and Procedures**

*Criteria:* Effective internal control requires that the policy for vacation and sick leave be documented as well as the procedures for tracking leave balances and for approval of time taken.

*Condition:* The District Attorney does not have a compensated absences policy that describes vacation and sick leave benefits. Accordingly, there are no procedures in effect for tracking leave and approval of time taken.

*Cause:* Oversight by management

*Effect:* Controls over compensated absences may be ineffective.

*Recommendation:* We recommend the District Attorney adopt a compensated absences policy which documents leave benefits as well as procedures for documenting leave balances and the approval process for taking leave.

*Management's Response:* The District Attorney had compensated absences policy with tracking for clerical staff but not for all other employees. The District Attorney elect established formal leave policy and documentation to track all employees. Additionally, the District Attorney has contracted with Paychex, Inc. to provide an automated system for office attendance and tracking sick and vacation leave which will be implemented in July for all employees.

**2014-002 Failure to Amend Budget (LSA-R.S. 39:1310)**

*Criteria:* The District Attorney is required to follow the requirements of the Louisiana Local Government Budget Act at LSA R.S. 39:1301 through 39:1315.

*Condition:* State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more. Both the general fund and the special revenue fund had an unfavorable revenue budget variance that exceeded the 5% threshold.

*Cause:* Oversight by management

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

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2014**

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*Effect:* The Council did not comply with all of the requirements of the Louisiana Local Government Budget Act as outlined above.

*Recommendation:* We recommend the monitoring of actual costs accumulated by department and fund more closely and making appropriate budget amendments to comply with the law requiring the budget to actual variance to be within 5%.

*Management's Response:* The District Attorney elect has established monthly review of all accounts as a percentage of budgets and will comply with the Louisiana Local Government Act.

**2014-003 Timely Bank Reconciliations**

*Criteria:* Effective internal control requires that bank accounts be reconciled on a timely basis.

*Condition:* The special bank account was not timely reconciled monthly during the period from March, 2014 to December, 2014. One combined reconciliation was performed subsequent to year end for those ten months.

*Cause:* During the year ended December 31, 2014, the District Attorney contracted the processing of payroll and the reconciliation of the special bank account to an outside CPA. Due to a turnover in personnel at the outside CPA, the timely reconciliation of the account ceased in February, 2014.

*Effect:* Controls over bank reconciliations for the special bank account may have been ineffective.

*Recommendation:* We recommend the District Attorney provide for timely reconciliations of all bank accounts.

*Management's Response:* The District Attorney elect reconciled the 2014 accounts after his election. The District Attorney has established monthly reconciliation.

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

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2014**

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**2014-004 Controls over Credit Card Transactions**

*Criteria:* Effective internal control requires that credit card transactions be properly supported by receipts and that the credit card statements be reviewed monthly to ensure that all transactions are supported. The Louisiana Legislative Auditor has provided a best practices document which contains recommendations for a credit card policy and controls over credit card transactions.

*Condition:* During our testing of credit card transactions for the year ended December 31, 2014, we noted that 7 of 13 transactions tested were not supported by credit card receipts as suggested by the Louisiana Legislative Auditor's best practices. In addition, it does not appear that the District Attorney has instituted a credit card policy.

*Cause:* Oversight by management.

*Effect:* Inadequate controls over credit card transactions.

*Recommendation:* We recommend the District Attorney institute a credit card policy and adopt procedures which will ensure that credit card statements are reviewed and that transactions are supported by documentation as recommended by the Louisiana Legislative Auditor.

*Management's Response:* The District Attorney elect will establish a written credit card policy. Additionally, the District Attorney elect has established a monthly review of the credit card bill and documentation.

**Part III - Findings and Questioned Costs for Federal Awards**

None.

**Part IV - Status of Prior Audit Findings**

There were no prior year audit findings.