

**DISTRICT ATTORNEY FOR THE  
FORTY-SECOND JUDICIAL DISTRICT**  
DeSoto Parish, Louisiana

**Annual Financial Report**

**For the Year Ended December 31, 2021**

DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana  
Annual Financial Report  
December 31, 2021

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report	-	1-3
Required Supplementary Information (Part I)		
Management's Discussion and Analysis	-	5-9
Basic Financial Statements		
Governmental Funds Balance Sheet/Statement of Net Position	A	11
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	B	12
Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	C	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	D	14
Notes to Financial Statements	-	16-35
Required Supplementary Information (Part II)		
Budgetary Comparison Schedule-General Fund	1	37
Budgetary Comparison Schedule-Title IV-D	2	38
Budgetary Comparison Schedule-Diversion	3	39
Schedule of Proportionate Share of the Net Pension Liability	4	40
Schedule of Employer Contributions	5	41
Notes to Required Supplementary Information	-	42
Other Supplementary Information		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	6	44
Justice System Funding Schedule – Receiving Entity	7	45

Justice System Funding Schedule – Collecting/Disbursing Entity	8	46
Other Reports		
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	-	47-48
Schedule of Audit Findings		49-51
Independent Accountant’s Report on Applying Statewide Agreed-Upon Procedures	-	52-60

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INDEPENDENT AUDITORS' REPORT

To the Honorable Charles Adams, District Attorney of the Forty-Second Judicial District  
P O Box 1004  
Mansfield, Louisiana 71052

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Forty-Second Judicial District of Louisiana (District Attorney), 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 and each major fund 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 and the *Louisiana Governmental Audit Guide*. 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 related 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 these 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 District Attorney's ability to continue as a going concern for twelve months beyond the financial statements 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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, Budgetary Comparison Schedules, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of Employer Contributions on pages 7 through 9 and 37 through 42 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 or Chief Executive Officer and Justice System Funding Schedules 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 Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedules are fairly stated, in all material respects, in relation to the 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 August 31, 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.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated August 31, 2022, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

August 31, 2022

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana**

Management's Discussion and Analysis  
For the Year Ending December 31, 2021

This section of the District Attorney for the Forty-Second Judicial District's (District Attorney) annual financial report presents our discussion and analysis of the District Attorney's financial performance during the year ending December 31, 2021. We encourage readers to consider the information presented here in conjunction with the District Attorney's basic financial statements and supplementary information in assessing the efficiency and effectiveness of our stewardship of public resources.

**FINANCIAL HIGHLIGHTS**

The District Attorney experienced an increase in its net position of \$9,498 (4.59%) during the year ended December 31, 2021. At December 31, 2021, the assets of the District Attorney exceeded its liabilities by \$216,306.

The District Attorney's total general and program revenues were \$1,567,293 during the year ended December 31, 2021, compared to \$1,864,588 during year ended December 31, 2020.

The District Attorney's total expenses were \$1,557,795 during the year ended December 31, 2021, compared to \$2,157,642 during year ended December 31, 2020.

**OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which include 1) governmental fund financial statements, 2) government-wide financial statements and 3) notes to the financial statements. The two types of financial statements present the District Attorney's financial position and results of operations from differing perspectives. A reconciliation is provided to facilitate the comparison between the governmental fund statements and the government-wide statements. The components of the financial statements are described below:

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The services provided by the District Attorney are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the District Attorney's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the District Attorney's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the District Attorney.



Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the District Attorney's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement. The governmental fund financial statements are presented in the first column of the basic financial statements in this report.

The District Attorney has three governmental funds; the General Fund which is classified as a major fund, and two special revenue funds. Special revenue funds are governmental funds that are used to account for the proceeds of specific revenues that are legally restricted for specific purposes.

### **Government-Wide Financial Statements**

The *government-wide financial statements* report information about the District Attorney as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. The *statement of net position* presents information on all the District Attorney's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Attorney is improving or deteriorating. The *statement of activities* presents information showing how the net position changed during the most recent period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. The government-wide financial statements are presented in the last column of the basic financial statements in this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The District Attorney adopts an annual budget for the general fund and two special revenue funds. Budgetary comparison statements are provided to demonstrate budgetary compliance. To comply with GASB 68, there are two schedules detailing the District Attorney's proportionate share of net pension liability and pension contributions.

### **Other Supplementary Information**

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3). The justice system funding reporting schedules are presented to fulfill the requirements of Louisiana Revised Statute 24:515.2.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the Statement of Net Position is below:

<b>Assets</b>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash	\$ 288,669	\$ 334,891
Accounts Receivables	37,823	61,629
Prepaid Expenses	214	1,032
Capital Assets, Net of Depreciation	<u>50,836</u>	<u>34,804</u>
Total Assets	<u>377,542</u>	<u>432,356</u>
 Deferred Outflows of Resources	 163,686	 241,781
<b>Liabilities</b>		
Current Liabilities	40,314	78,706
Long-term Liabilities	<u>32,127</u>	<u>297,135</u>
Total Liabilities	<u>72,441</u>	<u>375,841</u>
 Deferred Inflows of Resources	 252,481	 91,488
<b>Net Position</b>		
Unrestricted	114,127	11,959
Restricted	51,343	160,045
Net Investment in Capital Assets	<u>50,836</u>	<u>34,804</u>
Total Net Position	<u>\$ 216,306</u>	<u>\$ 206,808</u>

Net position may serve over time as a useful indicator of the District Attorney's financial position. The District Attorney's total net position changed from a year ago, increasing from \$206,808 to \$216,306. The portion of the District Attorney's net position, \$51,343 (23.74%) as of December 31, 2021, is restricted. \$114,127 (52.8%) of the net position is unrestricted, which is the portion not legally restricted that the District Attorney can use to meet the needs of the Judicial District.

Accounts receivable decreased 38.63% from \$61,629 to \$37,823 and total liabilities decreased 80.65% from \$375,841 to \$72,441.

At December 31, 2021, \$50,836 (23.50%) of the District Attorney's net position reflects capital assets with a historical cost of \$170,850 and accumulated depreciation of \$120,014.

An analysis of the government-wide Statement of Activities is presented as follows:

Revenues	Year Ended December 31, 2021	Year Ended December 31, 2019
DA Program Revenue		
Charges for services	\$ 488,689	\$ 926,586
Operating grants & contributions	1,009,613	932,324
Capital grant	24,000	-
General Revenue		
Miscellaneous revenue	44,826	5,290
Interest revenue	165	388
Total Revenue	<u>1,567,293</u>	<u>1,864,588</u>
Program Expenses		
Public Safety and Judicial Prosecution	<u>1,557,795</u>	<u>2,157,642</u>
Increase (Decrease) in Net Assets	9,498	(293,054)
Net Position, Beginning	206,808	499,862
Net Position Ending	<u>\$ 216,306</u>	<u>\$ 206,808</u>

As the accompanying presentation demonstrates, the District Attorney has increased its reserves by \$9,498 at December 31, 2021. Approximately 31.18% (\$488,689) of the District Attorney's total revenues were derived through charges for services (court, bond and other related fees and the District Attorney's diversion programs) compared to 49.7% (\$926,586) for the year ended December 31, 2020.

The District Attorney's total revenue decreased \$297,295 (15.94%) for the year ending December 31, 2021. Total expenses decreased \$599,847 (27.80%) for the year ending December 31, 2021.

#### **FINANCIAL ANALYSIS OF THE DISTRICT ATTORNEY'S FUND**

For the year ended December 31, 2021, the governmental funds reported a combined fund balance of \$286,178, compared to \$317,814 for the year ended December 31, 2020.

#### **BUDGETARY HIGHLIGHTS**

The District Attorney adopted a budget for its general fund and two special revenue funds for the year ended December 31, 2021. The District Attorney's budgets were amended during the year ended December 31, 2021 to reflect the expected decrease in revenue and increase in transfers between funds.

#### **CAPITAL ASSET ADMINISTRATION**

The District Attorney added a truck donated from DeSoto Parish Communications District to his capital assets during the year ended December 31, 2021.

#### **DEBT ADMINISTRATION**

Long-term liabilities of the District Attorney are summarized as follows:

	Governmental Activities	
	2021	2020
Compensated absences	\$ 14,732	\$ 10,152
Net pension liability	17,395	286,983
Total	<u>\$ 32,127</u>	<u>\$ 297,135</u>

## **ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities which may have and may continue to impact the District Attorney's operations. The following factors were considered when the budget was prepared for the year ending December 31, 2022:

- General and program revenues will remain consistent with the prior year.
- Other expenditures are expected to increase due to salary increases.

## **REQUEST FOR INFORMATION**

This report is designed to provide a general overview of the District Attorney and seeks to demonstrate the District Attorney's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Charles Adams, the District Attorney for the Forty-Second Judicial District, P. O. Box 1004, Mansfield, Louisiana, 71052.

## BASIC FINANCIAL STATEMENTS

DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana

GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION  
For the Year Ended December 31, 2021

	Governmental Funds Financial Statements				Adjustments	Government-wide
	<b>Balance Sheet</b>					Statements
	General Fund	Title IV-D Fund	Diversion Fund	Total		Statement of Net Position
<b>ASSETS</b>						
Cash and cash equivalents	\$ 148,107	\$ 97,785	\$ 42,777	\$ 288,669	\$ -	\$ 288,669
Accounts receivables, net	16,567	21,256	-	37,823	-	37,823
Interfund receivable	105,987	-	-	105,987	(105,987)	-
Prepaid expenses	-	-	-	-	214	214
Capital assets, net	-	-	-	-	50,836	50,836
<b>TOTAL ASSETS</b>	<b>\$ 270,661</b>	<b>\$ 119,041</b>	<b>\$ 42,777</b>	<b>\$ 432,479</b>	<b>(54,937)</b>	<b>377,542</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related					163,686	163,686
<b>LIABILITIES</b>						
Accounts payable	\$ 10,670	\$ 464	\$ -	\$ 11,134	-	11,134
Interfund payable	-	97,293	8,694	105,987	(105,987)	-
Payroll related liabilities	25,156	4,024	-	29,180	-	29,180
Noncurrent liabilities:						
Compensated absences	-	-	-	-	14,732	14,732
Net pension liability	-	-	-	-	17,395	17,395
<b>TOTAL LIABILITIES</b>	<b>35,826</b>	<b>101,781</b>	<b>8,694</b>	<b>146,301</b>	<b>(73,860)</b>	<b>72,441</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related					252,481	252,481
<b>FUND BALANCE/NET POSITION</b>						
Fund Balances:						
Restricted	-	17,260	34,083	51,343		
Unassigned	234,835	-	-	234,835		
<b>TOTAL FUND BALANCES</b>	<b>234,835</b>	<b>17,260</b>	<b>34,083</b>	<b>286,178</b>	<b>(286,178)</b>	
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 270,661</b>	<b>\$ 119,041</b>	<b>\$ 42,777</b>	<b>\$ 432,479</b>		
<b>Net Position:</b>						
Net investment in capital assets					50,836	50,836
Restricted					51,343	51,343
Unrestricted					114,127	114,127
<b>TOTAL NET POSITION</b>					<b>\$ -</b>	<b>\$ 216,306</b>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## STATEMENT B

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**  
**Reconciliation of Fund Balance on the Balance Sheet for Governmental Funds to**  
**Net Position of Governmental Activities on the Statement of Net Position**  
December 31, 2021

Fund Balance - Governmental Fund	\$	286,178
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the current year.		214
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		50,836
Certain deferred outflows are reported in the governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred outflows - pension related		163,686
Long-term liabilities are not due and payable on the current period, and therefore, are not reported in the governmental fund:		
Accrued compensated absences		(14,732)
Deferred inflows-pension related		(252,481)
Net pension liability		(17,395)
		(284,608)
Total Net Position of Government Activities	\$	216,306

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2021

	Governmental Funds Financial Statements					Government-wide Statements Statement of Net Position
	Statement of Revenue, Expenditure, and Change in Fund Balance					
	General Fund	Title IV-D Fund	Diversion Fund	Total	Adjustments	
Expenditures/expenses						
Public safety and Judicial Prosecution						
Personal services & related benefits	\$ 1,082,862	\$ 238,389	\$ 3,161	\$ 1,324,412	\$ 8,877	\$ 1,333,289
Operating expenses	184,946	29,547	1,229	215,722	818	216,540
LACE	-	-	-	-	-	-
Capital outlays	24,000	-	-	24,000	(24,000)	-
Depreciation	-	-	-	-	7,966	7,966
Total expenditures/expense	<u>1,291,808</u>	<u>267,936</u>	<u>4,390</u>	<u>1,564,134</u>	<u>(6,339)</u>	<u>1,557,795</u>
Program revenues						
Charges for services:				-		
Fines, fees, contracts	210,058	277,831	800	488,689	-	488,689
Operating grants and contributions						
State of Louisiana	256,573			256,573	-	256,573
DeSoto Parish Police Jury	703,300			703,300	-	703,300
DeSoto Parish Criminal Court Fund	49,740			49,740	-	49,740
Capital grants	24,000			24,000	-	24,000
Total program revenues	<u>1,243,671</u>	<u>277,831</u>	<u>800</u>	<u>1,522,302</u>	<u>-</u>	<u>1,522,302</u>
Net program expense	(48,137)	9,895	(3,590)	(41,832)	6,339	(35,493)
General Revenues						
Miscellaneous income	10,031	-	-	10,031	34,795	44,826
Investment earnings	81	-	84	165	-	165
Total General Revenues	<u>10,112</u>	<u>-</u>	<u>84</u>	<u>10,196</u>	<u>34,795</u>	<u>44,991</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	(38,025)	9,895	(3,506)	(31,636)	41,134	9,498
Other financing sources(uses):						
Operating transfers in(out)	<u>17,306</u>	<u>-</u>	<u>(17,306)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures and other financing sources(uses)/ changes in net position	(20,719)	9,895	(20,812)	(31,636)	41,134	9,498
Fund Balance / Net Position						
Beginning of the year, restated	255,554	7,365	54,895	317,814		206,808
End of the year	<u>\$ 234,835</u>	<u>\$ 17,260</u>	<u>\$ 34,083</u>	<u>\$ 286,178</u>		<u>\$ 216,306</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.



## STATEMENT D

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balance of the Governmental Fund to the Statement of Activities**

For the Year Ended December 31, 2021

**Net change in Fund Balance - Governmental Fund** \$ (31,636)

Governmental funds report capital outlays as expenditures because such outlays use current financial resources. However, for governmental activities those capital outlays are reported in the Statement of Net Position and are allocated over their useful lives in the Statement of Activities.

Capital outlays	\$ 24,000	
Depreciation expense	<u>(7,966)</u>	16,034

In the Statement of Activities, certain operating expenses, are measured by the the amounts accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually paid.

Pension (expense) benefit	\$ (4,294)	
Non-employer contributions to cost-sharing pension plan	34,795	
Compensated absences	<u>(4,583)</u>	25,918

Governmental funds report expenses that involve payments with current financial resources, such as insurance and maintenance contracts, in the year in which it is paid. In the Statement of Activities, payments that are attributable in current periods are recognized.

Decrease in prepaid expenses		(818)
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Net change in Net Position	\$	<u><u>9,498</u></u>
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The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

## NOTES TO THE FINANCIAL STATEMENTS

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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## **INTRODUCTION**

The Louisiana Constitution of 1974, Article V, Section 14 created the Judicial Districts of the State, among them the Forty-Second Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts and set forth the duties of the office. Louisiana Revised Statute 16:1 establishes the general provisions for the election, term, qualifications, powers, and duties of district attorneys. The District Attorney for the Forty-Second Judicial District (District Attorney) exists and operates in accordance with the authorities cited. As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, is the legal advisor to the grand jury, and 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. DeSoto Parish comprises the Forty-Second Judicial District, and the Forty-Second Judicial District Attorney's office is located in Mansfield, Louisiana.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the District Attorney have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

The more significant accounting policies established in GAAP and used by the District Attorney are discussed below.

#### **A. REPORTING ENTITY**

For financial reporting purposes, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 14, the District Attorney is a part of the operations of the district court system. However, the state statutes that create the district attorneys also give the district attorneys control over their operations including hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of monies. The District Attorney is financially independent and operated autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity and the financial statements include only the transactions of the District Attorney.

#### **B. BASIS OF PRESENTATION – BASIC FINANCIAL STATEMENTS**

The District Attorney's basic financial statements include both government-wide (reporting the District Attorney as a whole) and fund financial statements (reporting the District Attorney's general fund and two special revenue funds).

#### **Governmental Fund Statements**

The accounts of the District Attorney are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

A fund is considered major if it is the primary operating fund of the District Attorney or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The District Attorney reports the following governmental funds:

**General Fund.** The general fund is the principal fund and is used to account for the operations of the District Attorney. The District Attorney's primary sources of revenue are fees, fines, and other court costs. Other sources of revenue include grants and commissions. General operating expenditures are paid from this fund. The general fund is reported as a major fund.

**Special Revenue Funds.** Special revenue funds are used to account for the proceeds of specific revenue that are restricted to expenditures for specified purposes. The District Attorney reports the following two Special Revenue Funds as major funds in the fund financial statements:

- **Title IV-D.** Title IV-D 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 program 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.
- **Diversion.** Accounts for the collection of a fee paid by first-time offenders to the District Attorney, and expenditures made for the administration of the program.

**Government-Wide Statements**

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations, if appropriate.

The government-wide Statement of Activities reports both the gross and net cost of the District Attorney's judicial function. This function is also supported by general government revenues (in this case interest revenue.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the judicial function. Operating grants include operating-specific and discretionary grants.

This government-wide focus is more on the sustainability of the District Attorney as an entity and the change in the District Attorney's net position resulting from the current year's activities.

**C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues or expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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

**C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING (continued)**

**Accrual Basis—Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**Modified Accrual Basis—Governmental Fund Financial Statements**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. State government appropriations and revenue collected on the District Attorney's behalf by other local governments are recorded in the year the District Attorney is entitled to the funds. Fees collected by the District Attorney are recognized in the period in which they are received. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the District Attorney's account. Interest income on time deposits is accrued at year end. Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

**D. ASSETS, LIABILITIES, AND EQUITY**

**Cash and Interest-bearing deposits**

Cash includes amounts in interest-bearing demand deposits and certificates of deposit. Under state law, the District Attorney may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The District Attorney may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Accounts Receivable**

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

**Prepaid Expenses**

Payments made to vendors for insurance that will benefit periods beyond December 31, 2021 are recorded as prepaid expenses.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of that asset or materially extend the life of that asset are expensed as incurred.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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

**D. ASSETS, LIABILITIES, AND EQUITY (continued)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Description	Lives
Buildings & Improvements	10-40
Equipment Furniture & Fixtures	5-7 years
Vehicles	5 years

**Equity Classifications**

Net Position

The District Attorney classifies net position in the government-wide financial statements, as follows:

- 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 increase by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the District Attorney's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net resources that do not meet the definition of the above two components and is available for general use by the District Attorney.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted net position first, unless a determination is made to use unrestricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at incurrence of the expense.

Fund Balances

In the governmental fund statements, fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used. In accordance with GASB 54, the District Attorney classifies fund balances in governmental funds as follows:

- Nonspendable--Amounts that are not in spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
- Restricted--Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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

**D. ASSETS, LIABILITIES, AND EQUITY (continued)**

- Committed--Amounts constrained by the District Attorney itself. To be reported as committed, amounts cannot be used for any other purpose unless the District Attorney takes the action to remove or change the constraint.
- Assigned--Amounts the District Attorney intends to use for a specific purpose.
- Unassigned--All amounts not included in other spendable classifications.

The District Attorney would typically apply an expenditure toward restricted fund balance and then to the other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**E. COMPENSATED ABSENCES**

Full-time employees of the District Attorney earn and accrue vacation leave based on years of service. Up to 9 years of service an employee earns two weeks, After ten years the employee earns three weeks. An employee can accumulate, and carryover 105 hours of vacation leave to the following year. Upon termination, an employee will be paid for any unused vacation time as of the date of termination up to the annual carryover limit of 105 hours. Each full-time employee is entitled to eighty-four hours of sick leave each year. Any unused sick leave can carry over to the next calendar year by only up to a maximum of 30 days or 210 hours. Any unused sick leave is not payable upon termination of employment.

**F. 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.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2021, the District Attorney has cash and cash equivalents (book balances) totaling \$288,669 as follows:

Demand deposits	\$	252,272
Interest-bearing demand deposits		36,397
Total	\$	<u>288,669</u>

The cash and cash equivalents are subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**2. CASH AND CASH EQUIVALENTS (continued)**

Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District Attorney's name.

At December 31, 2021, the District Attorney has \$298,815 in deposits (collected bank balances). These deposits are secured from risk by \$296,736 of federal deposit insurance. The remaining \$2,079 is pledged by marketable securities held by the custodial bank with a market value of \$1,172,410.

**3. RECEIVABLES**

The General Fund receivables of \$16,567 at December 31, 2021, are as follows:

Fines, fees, and forfeitures	\$	14,067
Grants		2,500
Total		\$ 16,567

Title IV-D receivables of \$21,256 at December 31, 2021, are all State of Louisiana reimbursement grants for Title IV-D.

**4. INTERFUND RECEIVABLES / PAYABLES**

The Interfund receivables and payables are as follows:

		Due to		Due From
General Fund	\$	105,987	\$	-
Title IV-D		491		97,784
Diversion		-		8,694
	\$	106,478	\$	106,478

**5. PREPAID EXPENSES**

Prepaid expenses of \$214 at December 31, 2021, consist of prepaid insurance.



**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

## 6. CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not depreciated				
Land	\$ 7,875	\$ -	\$ -	\$ 7,875
Total capital assets not depreciated				
Capital assets being depreciated				
Buildings & improvements	60,165	-	-	60,165
Equipment, furniture & fixtures	65,994	-	-	65,994
Vehicles	12,816	24,000	-	36,816
Total capital assets being depreciated	<u>138,975</u>	<u>24,000</u>	<u>-</u>	<u>162,975</u>
Less Accumulated Depreciation				
Buildings & improvements	40,978	2,611	-	43,589
Equipment, furniture & fixtures	58,254	2,155	-	60,409
Vehicles	12,816	3,200	-	16,016
Total	<u>112,048</u>	<u>7,966</u>	<u>-</u>	<u>120,014</u>
Capital Assets, Net	<u>\$ 34,802</u>	<u>\$ 16,034</u>	<u>\$ -</u>	<u>\$ 50,836</u>

Depreciation expense of \$7,966 was charged to the judiciary function of the governmental activities.

## 7. LEASES

The District Attorney has entered into an agreement to lease a copy machine. Current year lease expense is \$2,021. Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 2,021
2023	2,021
2024	2,021
2025	505
Total	<u>\$ 2,021</u>

## 8. ON-BEHALF OF PAYMENTS

The District Attorney recorded on behalf of payments totaling \$256,573 from the State of Louisiana and \$703,300 from the DeSoto Parish Police Jury for payroll, payroll taxes, retirement and operating costs of the District Attorney's office. A breakdown of these payments is as follows:

	<u>DPPJ</u>	<u>State of LA</u>
Payroll and payroll taxes	\$ 440,141	\$ 239,608
Retirement	28,588	16,965
Insurance	123,153	-
Operating expenses	111,418	-
	<u>\$ 703,300</u>	<u>\$ 256,573</u>

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS**

The District Attorneys' Retirement System (System) was created on August 1, 1956, by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirement, and death benefit, are provided as specified in the plan.

**PLAN DESCRIPTION:**

The District Attorneys' Retirement System, State of Louisiana, is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established on the first day of August, 1956, and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys, assistant district attorneys in each parish, and employees of this retirement system and the Louisiana District Attorneys' Association. All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

**Retirement Benefits:**

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

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

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

---

**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

Disability Benefits:

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to 3% (3.5% for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Survivor Benefits:

Upon the death of a member with less than five years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with five or more years of service or any member with 23 years of service who has not retired, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest. Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the System.

Cost-of-Living Increases

The Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed \$60 per month) and all retired members and surviving beneficiaries who are 65 years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the Board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the Board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

Back-Deferred Retirement Option Program:

In lieu of receiving an actual service retirement allowance, any member who has more years of service than are required for a normal retirement may elect to receive a Back-Deferred Retirement Option Program (Back-DROP) benefit.

The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of 36 months or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to a reduced monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the system in an interest-bearing account.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

Deferred Retirement Option Program:

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program (DROP) for up to 36 months in lieu of terminating employment and accepting a service benefit. During participation in the DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in the DROP. Upon termination of participation, the participant in the plan received, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the Board of Trustees. The monthly benefits that were being paid into the DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

**EMPLOYER CONTRIBUTIONS:**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 4.0%. The rate increased to 9.5% in July 2021. Contributions to the pension plan from the District Attorney were \$14,952 for the year ended December 31, 2021.

Non-Employer Contributions:

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions were recognized as revenue during the year ended June 30, 2021, and excluded from pension expense. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. The non-employer contribution was \$32,509.

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:**

At December 31, 2021, the District Attorney reported a liability of \$56,096 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that 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. At June 30, 2021 (System's measurement date), the District Attorney's proportion was 0.315090% which was an decrease of 0.07074% from the proportion measured as of June 30, 2019.

For the year ended December 31, 2021, the District Attorney recognized pension expense of \$13,798, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

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</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 17,997	\$ 17,225
Changes in Assumptions	105,860	-
Net Difference between projected and actual earnings on pension plan	-	152,568
Changes in employer's proportion of beg NPL	-	19,584
Differences between employer and proportionate share of contributions	7,546	12,174
Subsequent Measurement Contributions	11,139	-
Total	<u>\$ 142,542</u>	<u>\$ 201,551</u>

The District Attorney reported a total of \$11,139 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended December 31, 2022.

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>Year</u>	<u>Amount</u>
2021	\$ (11,506)
2022	(7,597)
2023	(22,566)
2024	(28,479)
TOTAL	<u>\$ (70,148)</u>

**ACTUARIAL METHODS AND ASSUMPTIONS:**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021, are as follows:

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.10%, net of investment expense, including inflation
Projected Salary Increases	5.00% (2.20% inflation, 2.80% merit)
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females using MP2019 scale.
	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 using 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 MP2019 scale.
Cost of Living Adjustments	Only those previously granted
Expected Remaining Service Life	5 years-June 30, 2021 6 years-June 30, 2020 6 years-June 30, 2019 6 years- June 30, 2018 7 years-June 30, 2017 7 years-June 30, 2016

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

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.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

The best estimates of arithmetic real rates of return for each major asset class based on the System's target asset allocation as of June 30, 2021, were as follows:

Asset Class	Long-Term Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Equities	57.11%	6.43%
Fixed Income	30.19%	0.94%
Alternatives	12.67%	0.89%
Real assets	0.03%	0.00%
System Totals	100.00%	
Nominal Rate of Return		5.80%
Inflation		2.45%
Expected Arithmetic Nominal Return		8.25%

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

**SENSITIVITY TO CHANGES IN DISCOUNT RATE:**

The following presents the net pension liability of the District Attorney calculated using the discount rate of 6.10%, as well as what the District Attorneys net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.10%) or one percentage point higher (7.10%) than the current rate:

	Changes in Discount Rate		
	June 30, 2021		
	1% Decrease 5.1%	Current Discount Rate 6.1%	1% Increase 7.1%
Net Pension Liability (Asset)	275,051 \$	56,096 \$	(127,341)

**CHANGE IN NET PENSION LIABILITY:**

The changes in the net pension liability for the year ended December 31, 2021, were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred outflows of resources of \$17,997 and deferred inflows of resources of \$17,225 as of December 31, 2021.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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**9. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

*Differences between Projected and Actual Investment Earnings:*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$152,568 as of December 31, 2021.

*Changes of Assumptions or Other Inputs:*

Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources in the amount of \$105,860 as of December 31, 2021.

*Changes in Proportion:*

Changes in the employers' proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employers' pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

**10. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS)**

*Plan Description.* The District Attorney contributes to PERS, under Plan B, which is a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Plan B was designated for employees that remained in Social Security on the revision date. Sections 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at [www.persla.org](http://www.persla.org).

All permanent District Attorney employees working at least 28 hours per week shall become members in the System on their date of employment. New employees meeting the age and Social Security criteria have up to

90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS.

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



**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**10. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

Retirement.

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

At age 55	after 30 years of creditable service
At age 60	after 10 years of creditable service
At age 65	after 7 years of creditable service

For employees hired after January 1, 2007:

At age 55	after 30 years of creditable service
At age 62	after 10 years of creditable service
At age 67	after 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor's Benefits

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, to age 60 for those members who are enrolled prior to January 1, 2007, and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost-of-Living Increases

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older (LA R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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**10. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for PERS. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of PERS, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of the Plan must agree that the benefits payable to the participant are not the obligations of the state or PERS, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**EMPLOYER CONTRIBUTIONS.**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2019 was 7.5%.

According to state statute, PERS also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. The non-employer contribution was \$2,285.

The District Attorney's contractually required composite contribution rate for the year ended December 31, 2021, was 7.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District Attorney were \$12,013, \$12,949 and \$21,537 for the years ended December 31, 2021, December 31, 2020, and December 31, 2019, respectively. These contributions do not include on-behalf payments.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**10. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.***

At December 31, 2021, the District Attorney reported an liability of \$38,701 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that 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. At December 31, 2020, the District Attorney's proportion was 0.150747%, which was an decrease of 0.10772% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District Attorney recognized a pension benefit of \$9,504 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 2,455	\$ 1,110
Changes in Assumptions	6,628	-
Net Difference between projected and actual earnings on pension plan	-	45,738
Changes in employer's proportion of beg NPL	-	5,232
Differences between employer and proportionate share of contributions	48	(1,150)
Subsequent Measurement Contributions	12,013	
Total	<u>\$ 21,144</u>	<u>\$ 50,930</u>

The deferred outflows of resources related to pensions resulting from the District Attorney's contributions subsequent to the measurement date in the amount of \$12,013 will be recognized as a reduction of the net pension liabilities in the year of December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year</u>	<u>Amount</u>
2020	(11,860)
2021	(5,078)
2022	(17,276)
2023	(7,585)
TOTAL	<u>\$ (41,799)</u>

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**10. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021, is as follows:

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Life	4 Years
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected Salary Increases	4.25%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for employees.
	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality.
	Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability was 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contributions rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

**10. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	33.00%	0.86%
Equity	51.00%	3.36%
Alternatives	14.00%	0.67%
Real assets	2.00%	0.11%
	100.00%	5.00%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.00%

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

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

The following presents the District Attorney's proportionate share of the Net Pension Liability using the discount rate of 6.40%, as well as what the District Attorney's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

	Changes in Discount Rate		
	June 30, 2020		
	1% Decrease 5.4%	Current Discount Rate 6.4%	1% Increase 7.4%
Net Pension Liability (Asset)	36,180 \$	(38,701) \$	(101,273)

**11. RESTATEMENT OF PRIOR YEAR FUND BALANCES**

The prior year fund balances were restated to include the \$97,785 amount due from the Title IV-D Fund to the General Fund. These are amounts that were paid by the General Fund for salaries, taxes, and other operating expenses for Title IV-D in the past that had not been reimbursed.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2021

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**12. SUBSEQUENT EVENTS**

Management has performed an evaluation of the District Attorney's activities through August 31, 2022, which is the date the financial statements were available to be issued. Following an election by the voters of the Forty-Second Judicial District during the year ending December 31, 2020, a new District Attorney was sworn in effective January 11, 2021. In June, 2021, records for 2020 were turned over to the Louisiana State Police for an investigation concerning possible fraudulent expenditures by the prior District Attorney, Gary Evans.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

## SCHEDULE 1

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Adjustment to Budgetary Basis	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final				
Expenditures/expenses						
Public safety and Judicial Prosecution						
Personal services & related benefits	\$ 240,000	\$ 125,000	\$ 1,082,862	\$ (959,873)	\$ 122,989	\$ 2,011
Operating expenses	183,000	185,000	184,946	-	184,946	54
Capital outlays	5,000	24,000	24,000	-	24,000	-
Total expenditures/expenses	<u>428,000</u>	<u>334,000</u>	<u>1,291,808</u>	<u>(959,873)</u>	<u>331,935</u>	<u>2,065</u>
Revenues						
Fines, fees, and other commissions	165,000	200,000	210,058	-	210,058	10,058
Grants and contributions	-	75,000	1,033,613	(959,873)	73,740	(1,260)
Miscellaneous income	-	10,000	10,031	-	10,031	31
Investment earnings	-	50	81	-	81	31
Total General Revenues	<u>165,000</u>	<u>285,050</u>	<u>1,253,783</u>	<u>(959,873)</u>	<u>293,910</u>	<u>8,860</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	(263,000)	(48,950)	(38,025)	-	(38,025)	10,925
Other financing sources(uses):						
Operating transfers in(out)	150,000	17,000	17,306	-	17,306	306
Total other financing sources (uses)	<u>150,000</u>	<u>17,000</u>	<u>17,306</u>	<u>-</u>	<u>17,306</u>	<u>306</u>
Excess(deficiency) of revenues over expenditures and other financing sources(uses)/changes in net position	(113,000)	(31,950)	(20,719)	-	(20,719)	11,231
Fund Balance / Net Position						
Beginning of the year	255,554	255,554	255,554		255,554	-
End of the year	<u>\$ 142,554</u>	<u>\$ 223,604</u>	<u>\$ 234,835</u>		<u>\$ 234,835</u>	<u>\$ 11,231</u>

See the accompanying independent auditor's report.



## SCHEDULE 2

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**BUDGETARY COMPARISON SCHEDULE - TITLE IV-D**

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures/expenses				
Public safety and Judicial Prosecution				
Personal services & related benefits	\$ 185,000	\$ 235,000	\$ 238,389	\$ (3,389)
Operating expenses	11,000	30,000	29,547	453
Total expenditures/expenses	<u>196,000</u>	<u>265,000</u>	<u>267,936</u>	<u>(2,936)</u>
Revenues				
Contract	220,000	275,000	277,831	2,831
	<u>220,000</u>	<u>275,000</u>	<u>277,831</u>	<u>2,831</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	24,000	10,000	9,895	5,767
Fund Balance / Net Position				
Beginning of the year	7,365	7,365	7,365	-
End of the year	<u>\$ 31,365</u>	<u>\$ 17,365</u>	<u>\$ 17,260</u>	<u>\$ (105)</u>

See the accompanying independent auditor's report.

## SCHEDULE 3

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**BUDGETARY COMPARISON SCHEDULE - DIVERSION**

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures/expenses				
Public safety and Judicial Prosecution				
Personal services & related benefits	\$ 58,000	\$ 3,200	\$ 3,161	\$ 39
Operating expenses	17,000	1,250	1,229	21
LACE	-	-	-	-
Total expenditures/expenses	<u>75,000</u>	<u>4,450</u>	<u>4,390</u>	<u>60</u>
Revenues				
Fines, fees, and other commissions	75,000	800	800	-
Grants and contributions	-	-	-	-
Miscellaneous income	-	-	-	-
Investment earnings	404	84	84	-
Total General Revenues	<u>75,404</u>	<u>884</u>	<u>884</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	404	(3,566)	(3,506)	(60)
Other financing sources(uses):				
Operating transfers in(out)	-	(17,000)	(17,306)	(306)
Total other financing sources (uses)	<u>-</u>	<u>(17,000)</u>	<u>(17,306)</u>	<u>(306)</u>
Excess(deficiency) of revenues over expenditures and other financing sources(uses)/ changes in net position	404	(20,566)	(20,812)	(366)
Fund Balance / Net Position				
Beginning of the year	54,895	54,895	54,895	-
End of the year	<u>\$ 55,299</u>	<u>\$ 34,329</u>	<u>\$ 34,083</u>	<u>\$ (246)</u>

See the accompanying independent auditor's report.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

For the Year Ended December 31, 2021

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
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Louisiana District Attorney's Retirement System (LDARS)

2015	0.32993%	\$ 17,772	\$ 205,911	9%	99%
2016	0.43631%	\$ 83,513	\$ 246,810	34%	95%
2017	0.43173%	\$ 116,448	\$ 262,366	44%	94%
2018	0.38356%	\$ 123,426	\$ 258,349	48%	93%
2019	0.44492%	\$ 143,132	\$ 261,628	55%	93%
2020	0.38583%	\$ 305,682	\$ 239,349	128%	85%
2021	0.31509%	\$ 56,096	\$ 204,575	27%	97%

Parochial Employees' Retirement System of Louisiana (PERSLA)

2015	0.15350%	\$ 426	\$ 140,755	0%	100%
2016	0.20730%	\$ 36,908	\$ 217,484	17%	93%
2017	0.21988%	\$ 28,563	\$ 221,041	13%	96%
2018	0.25203%	\$ (31,710)	\$ 255,573	-12%	104%
2019	0.26519%	\$ 71,644	\$ 277,424	26%	92%
2020	0.25847%	\$ (18,699)	\$ 287,163	-7%	102%
2021	0.15075%	\$ (38,701)	\$ 172,657	-22%	107%

\*Amounts presented were determined as of the measurement date (previous fiscal year end).

*These schedules are intended to show information for 10 years.*

*Additional years will be displayed as they become available.*

See accompanying independent auditor's report.

**DISTRICT ATTORNEY OF THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

For the Year Ended December 31, 2021

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
<u>Louisiana District Attorney's Retirement System (LDARS)</u>					
2015	\$ 13,287	\$ 13,287	\$ -	\$235,605	5.64%
2016	\$ 8,329	\$ 8,329	\$ -	\$247,349	3.37%
2017	\$ -	\$ -	\$ -	\$258,352	0.00%
2018	\$ 1,615	\$ 1,615	\$ -	\$258,349	0.63%
2019	\$ 6,978	\$ 6,978	\$ -	\$265,503	2.63%
2020	\$ 8,183	\$ 8,183	\$ -	\$204,575	4.00%
2021	\$ 15,108	\$ 15,108	\$ -	\$216,470	6.98%
<u>Parochial Employees' Retirement System of Louisiana (PERSLA)</u>					
2015	\$ 10,656	\$ 10,656	\$ -	\$217,484	4.90%
2016	\$ 15,027	\$ 15,027	\$ -	\$221,041	6.80%
2017	\$ 18,859	\$ 18,859	\$ -	\$255,573	7.38%
2018	\$ 20,807	\$ 20,807	\$ -	\$277,424	7.50%
2019	\$ 21,537	\$ 21,537	\$ -	\$287,163	7.50%
2020	\$ 12,949	\$ 12,949	\$ -	\$172,657	7.50%
2021	\$ 12,013	\$ 12,013	\$ -	\$160,174	7.50%

\*Amounts presented were determined as of the end of the fiscal year.  
*These schedules are intended to show information for 10 years.  
 Additional years will be displayed as they become available.*

See accompanying independent auditor's report.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
**DeSoto Parish, Louisiana**

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

As of and for the Year Ended December 31, 2021

**Budgetary Information**

The District Attorney's budgets are prepared in accordance with accounting principles generally accepted in the United States of America.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budgets were not amended during the year. The budget comparison schedules present the original adopted budget and the final budget for the General Fund, the IV-D Fund, and the Diversion Fund.

The general fund budgetary comparison schedule includes an adjustment to budgetary basis for the on-behalf payments described in notes section seven which are not budgeted.

The District Attorney's budget process is as follows:

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the District Attorney's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the District Attorney and amended during the year, as necessary. Budgets are established and controlled by the District Attorney at the object level of expenditure.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The District Attorney must approve all changes or amendments to the budget.

For the General Fund, District Attorney expenditures were \$2,065 (0.68%) less than final budgeted amounts, revenues were \$8,860 (3.11%) more than budgeted amounts and transfers in were \$306 (1.8%) more than budgeted amounts. The District Attorney is in compliance with the Louisiana Local Government Budget Act for the General Fund.

For the Title IV-D Fund, District Attorney expenditures were \$2,936 (3.37%) more than budgeted amounts, revenues were \$2,831 (1.03%) more than budgeted amounts. District Attorney is in compliance with the Louisiana Local Government Budget Act for the Title IV-D Fund.

For the Diversion Fund, District Attorney expenditures were \$60 (1.35%) more than budget amounts, revenues were on budget and transfers out were \$306 (1.8%) more than budgeted amounts. The District Attorney is in compliance with the Louisiana Local Government Budget Act for the Diversion Fund.

## OTHER SUPPLEMENTAL INFORMATION

## SCHEDULE 6

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the Year Ended December 31, 2021

	<u>Gary Evans, District Attorney</u>	<u>Charles B Adams, District Attorney</u>
	January 1 - January 11	January 12- December 31
SECTION I		
Paid by the District Attorney for the Forty-Second Judicial District		
Purpose:		
Salary	\$ 5,801	\$ 88,979
Benefits- retirement	232	5,392
Dues	448	-
Meals	65	405
SECTION II		
Paid by the DeSoto Parish Police Jury		
Purpose:		
Salary	\$ 64	\$ 2,311
Benefits- retirement	5	185
Benefits - other	-	34
SECTION III		
Paid by the State of Louisiana		
Purpose:		
Salary	\$ 2,019	\$ 51,702
Benefits- retirement	81	3,690
Benefits-other	29	750

See accompanying independent auditor's report.

**District Attorney for the Forty-Second Judicial District  
DeSoto Parish, Louisiana**

**Justice System Funding Schedule - Receiving Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
For the year ended December 31, 2021**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 6/30/21</b>	<b>Second Six Month Period Ended 12/31/21</b>
<b>Receipts From:</b>		
<i>Criminal Court Costs/Fees:</i>		
DeSoto Parish Sheriff	\$ 59,157	\$ 34,353
42nd Judicial Court	4,525	8,920
Louisiana Department of Public Safety	1,825	1,800
Louisiana Fee Collection	453	2,261
Other		463
<i>Bond Fees</i>		
DeSoto Parish Sheriff	17,515	25,770
<b>Total Receipts</b>	<b>\$ 83,475</b>	<b>\$ 73,567</b>

Supplemental information.  
See the accompanying independent auditor's report.



**District Attorney for the Forty-Second Judicial District  
DeSoto Parish, Louisiana**

**Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
For the year ended December 31, 2021**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 06/30/2021</b>	<b>Second Six Month Period Ended 12/31/2021</b>
<b>Beginning Balance of Amounts Collected</b>	\$ 94,052	\$ 57,475
<b>Add: Collections</b>		
Asset Forfeiture/Sale	5,649	6,386
Pre-Trial Diversion Program Fees	800	-
Restitution	500	3,298
Interest Earnings on Collected Balances	42	42
<b>Subtotal Collections</b>	<u>6,991</u>	<u>9,726</u>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
<b>Pre-trial Diversion:</b>		
Louisiana State Police - Traffic Diversion	30,397	-
DeSoto Parish Sheriff	200	-
Other	2,741	90
Amounts Retained by Collecting Agency	9,730	9,000
<b>Asset Forfeiture</b>		
42nd Judicial District		2,119
DeSoto Parish Sheriff		6,356
Amounts Retained by Collecting Agency		2,119
<b>Restitution</b>		
Amounts Retained by Collecting Agency	500	3,298
<b>Subtotal Disbursements/Retainage</b>	<u>43,568</u>	<u>22,982</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>\$ 57,475</u>	<u>\$ 44,219</u>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b>		
- This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-

Supplemental information.

See the accompanying independent auditor's report.

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

To the Honorable Charles Adams, District Attorney  
Forty-Second Judicial District  
P O Box 1004  
Mansfield, Louisiana 71052

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and each major fund as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District Attorney of the Forty-Second Judicial District of Louisiana's (District Attorney) basic financial statements and have issued our report thereon dated August 31, 2022.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, 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 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit findings as item 2021-001.

### District Attorney for the Forty-Second Judicial District's Response to the Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the District Attorney's response to the finding identified in our audit and described in the accompanying schedule of audit findings. The District Attorney's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's  
Natchitoches, Louisiana

August 31, 2022

DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana

SCHEDULE OF AUDIT FINDINGS  
Year Ended December 31, 2021

I. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the District Attorney of the Forty-Second Judicial District.
2. There were no material weaknesses in internal control noted during the audit of the financial statements.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Governmental Auditing Standards (2021-001)*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Noncompliance-

*2021-001 Late Submission of Report*

*Criteria* – Louisiana state law requires that the District Attorney have an annual audit performed and submitted to the Legislative Auditor within six (6) months after the close of the fiscal year.

*Condition* – For the year ended December 31, 2021, the District Attorney did not submit the annual audit within six months after the close of their fiscal year.

*Cause* – The District Attorney's office records were under investigation with the LA State Police due to the findings listed below in "Prior Year Audit Findings". Therefore, the necessary financial information was unavailable by June 30, 2022.

*Effect* – The District Attorney is not in compliance with state law.

*Recommendation* – The District Attorney should institute procedures to ensure that the books and records are prepared, reconciled and available for the auditors within 45 days after the end of their fiscal year.

*Management's Response* – We have instituted procedures to ensure that the books and records will be prepared, reconciled and available for the auditors within 45 days after the end of our fiscal year.

III. PRIOR YEAR AUDIT FINDINGS

Internal Control-

*2020-001 Possible Use of District Attorney Funds for Campaign*

*Condition* – During the 2020 election year of the Forty-Second Judicial District Attorney, for which Gary Evans was running for the office, invoices totaling \$69,447 were paid to consultant, Rougarou Consulting. The invoices were paid from February 7, 2020 to June 26, 2020 and were recorded in the general fund as miscellaneous expenses. The invoices' description of services provided were professional services, digital/social media ads design, billboard ad design, Lamar billboard, digital/social media ads, radio ads for playoffs, mail productions, and mail postage.

According to Mr. Evans' candidate report, filed as a public document on the Louisiana Board of Ethics website, his campaign paid Rougarou Consulting \$10,000 for political

DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana

SCHEDULE OF AUDIT FINDINGS (continued)  
Year Ended December 31, 2021

consulting on January 21, 2020. Then from February 7, 2020, through June 26, 2020, the District Attorney's office paid Rougarou Consulting and other associated vendors \$73,097.10. Subsequent campaign disclosure reports revealed that from July 20, 2020 through November 3, 2020, Gary Evans' campaign paid Rougarou Consulting \$87,465.

During the first five years as District Attorney Mr. Evans' public service advertising expense was \$5,059, \$2,682, \$1,750, \$1,306, \$1,072 for 2015, 2016, 2017, 2018, 2019 respectively. This is an average of \$2,374 per year.

*Status* – This finding was cleared as of December 31, 2021.

*2020-002 Donation of Public Funds*

*Condition* – The District Attorney used funds to pay excessive costs for microbial fumigation services in the traffic diversion office which contained only three employees, no public traffic, and a regular housekeeper. The vendor was paid \$14,400 from June 1, 2020 through November 18, 2020. There were no quotes or contracts in the files. The invoices have no dates on them (no dates of service and no date of the invoice). The rates on the invoices do not calculate correctly. A W-9 was not in the file and the vendor would not provide one at the end of the year to the successor District Attorney's office for 1099 preparation. The checks were made out to Upstream Environmental, LLC but endorsed by an individual.

*Status* – This finding was cleared as of December 31, 2021.

*2020-003 Management Override of Payroll Policies*

*Condition* – The successor District Attorney did not retain all employees when he took office on January 11, 2021. On January 4, 2021, letters from Gary Evans, previous District Attorney, were sent to Kerry Woods, payroll clerk at the DeSoto Parish Police Jury requesting payment for several terminated employees totaling \$18,761 for uncompensated time and prior years' vacation. Although there was an attempt to document the compensatory time, there were no time sheets documenting that the salaried employees worked their fixed basic required time.

Mr. Evans also requested that these same employees who had been terminated at the end of his term on January 8, 2021 be paid for 4 weeks of vacation for 2021 (10 days' vacation and 10 days of sick leave) that cost \$13,618, even though they were only employed for one week in 2021.

*Status* – This finding was cleared as of December 31, 2021.

*2020-004 Restricted Diversion Funds Transferred to the General Fund for Operations*

*Condition* – In 2020, the Diversion Fund transferred \$300,000 to the General Fund. There was a letter of explanation from District Attorney Evans that the transfer was to cover operating expenses, specifically salaries. As noted in Finding 2020-03, no detailed records were required or obtained for most of the salaries allocated to administering the traffic diversion program or victims' assistance programs. The District Attorney did not keep records of the types of victims' assistance programs it operated, if any. There was no reasonable allocation scheme for transferring the monies to the General Fund. There were no local policies or procedures regarding the transferred expenses. The DeSoto Parish Police Jury paid some of the payroll

DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT  
DeSoto Parish, Louisiana

SCHEDULE OF AUDIT FINDINGS (continued)  
Year Ended December 31, 2021

allocated for reimbursement to the General Fund. Yet, the District Attorney did not reimburse the Police Jury. Note that the District Attorney transferred \$500,000 during 2019 with the same explanation.

*Status* – This finding is cleared as of December 31, 2021.

*2020-005 Payroll Taxes Miscalculated*

*Condition* – For the employees who were paid from the 42<sup>nd</sup> Judicial District Attorney's office, FICA was withheld on the employees' health insurance premiums from 2015-through January 8, 2021. The costs to the employees were \$8,108. The employer matched the FICA for an overpayment of \$8,108.

*Status* – This finding was cleared as of December 31, 2021.

Noncompliance-

*2020-006 Late Submission of Report*

*Condition* – For the year ended December 31, 2020, the District Attorney did not submit the annual audit within six months after the close of their fiscal year.

*Status* – This finding was not cleared, see 2021-001.

*2020-007 Local Government Budget Act*

*Condition* – For the year ended December 31, 2020, the actual revenues and other financing sources were less than budgeted revenues and other financing sources by more than the 5% variance allowed in the General Fund and the Diversion Fund.

*Status* – This finding was cleared as of December 31, 2021.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES**

To the District Attorney of the Forty-Second Judicial District of Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The District Attorney of the Tenth Judicial District of Louisiana’s (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 many not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
  - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - ***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.
  - ***Disbursements***, including processing, reviewing, and approving.
  - ***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.)

- **Payroll/Personnel**, including (1) payroll processing, and (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 schedule.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **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.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
  - a) Procedure Results - We noted no exceptions.

### ***Board or Finance Committee***

---

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
  - Observed 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.
    - Observed that 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.
  - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed 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.
    - a) Procedure Results – Not applicable due to no governing board or finance committee.



### ***Bank Reconciliations***

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3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
  - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
  - 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
  - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

a) Procedure Results – We noted no exceptions.

### ***Collections (excluding electronic funds transfers)***

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
  - Employees that are responsible for cash collections do not share cash drawers/registers.
  - 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.
  - 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.
  - 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/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.
7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
  - We observed that receipts are sequentially pre-numbered.

- We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- We traced the deposit slip total to the actual deposit per the bank statement.
- We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- We traced the actual deposit per the bank statement to the general ledger.
  - a) Procedure Results – We noted no exceptions.

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

---

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed that job duties are properly segregated such that:
  - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - At least two employees are involved in processing and approving payments to vendors.
  - 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.
  - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
  - We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.
  - We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
  - a) Procedure Results – We noted no exceptions.

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

---

11. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
- We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified 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, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
- a) Procedure Results – Not applicable due to the District Attorney does not have any credit cards.

### ***Travel and Expense Reimbursement***

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14. We obtained 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. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
- a) Procedure Results – We noted no exceptions.

### ***Contracts***

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15. We obtained 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. We obtained management’s representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
  - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
- a) Procedure Results – We noted no exceptions.

### ***Payroll and Personnel***

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16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - We observed that supervisors approved the attendance and leave of the selected employees/officials.
  - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.
- a) Procedure Results – We noted exceptions regarding termination payments.

### ***Ethics***

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20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- We observed that 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.
- a) Procedure Results – We noted no exceptions.

### ***Debt Service***

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21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).
- a) Procedure Results – Not applicable due to the District Attorney has not incurred any debt.

### ***Fraud Notice***

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23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the District attorney of the parish in which the entity is domiciled.
24. We observed whether 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.
- a) Procedure Results – We noted no exceptions.

### ***Information Technology Disaster Recovery/Business Continuity***

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25. We performed the following procedures:
- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
  - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
  - We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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.
- a) Procedure Results – We noted no exceptions.

## *Sexual Harassment*

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

a) Procedure Results – We noted no exceptions.

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.

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Natchitoches, Louisiana

August 31, 2022

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 18: Exception – Personnel files do not include leave records or authorized pay rates for the termination payments.

Response – Termination payments were made under the direction of the previous District Attorney, which had no written policies and procedures for payroll processing, reviewing and approving time and attendance records, leave time, or overtime worked. The current administration has established an employee handbook/manual that specifically addresses these issues. See prior year finding 2020-003.