

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**

**ANNUAL FINANCIAL REPORT  
DECEMBER 31, 2022**

District Attorney for the Forty-Second Judicial District  
Annual Financial Report  
December 31, 2022

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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, 2022

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, 2022. 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 a decrease in its net position of \$142,968 (55.77%) during the year ended December 31, 2022 compared to an increase of \$39,380 (restated). At December 31, 2022, the assets of the District Attorney exceeded its liabilities by 113,372.

The District Attorney's total general and program revenues were \$1,663,220 during the year ended December 31, 2022, compared to \$1,602,427 (restated) during year ended December 31, 2021.

The District Attorney's total expenses were \$1,806,188 during the year ended December 31, 2022, compared to \$1,563,047 (restated) during year ended December 31, 2021.

The District Attorney restated the prior statements due to the adoption of GASB 87, *Leases*, and other factors. See Note 11.

### **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:

	December 31, 2022	Restated December 31, 2021
<b>Assets</b>		
Cash	\$ 200,290	\$ 288,669
Accounts Receivables	59,843	37,822
Prepaid Expenses	244	214
Capital Assets, Net of Depreciation	66,598	84,480
Total Assets	326,975	411,185
Deferred Outflows of Resources	272,762	163,686
<b>Liabilities</b>		
Current Liabilities	70,011	40,315
Long-term Liabilities	318,068	25,735
Total Liabilities	388,079	66,050
Deferred Inflows of Resources	98,286	252,481
<b>Net Position</b>		
Unrestricted	27,387	120,517
Restricted	23,267	51,343
Net Investment in Capital Assets	62,718	84,480
Total Net Position	\$ 113,372	\$ 256,340

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, decreasing from \$256,340 (restated) to \$113,372. The portion of the District Attorney's net position, \$23,267 (20.52%) as of December 31, 2022, is restricted. \$27,387 (24.2%) 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 increased 58.22% from \$37,823 to \$59,843 and total liabilities increased 487.56% from \$66,049 (restated) to \$318,068, primarily related to pension.

At December 31, 2022, \$62,718 (55.32%) of the District Attorney's net position reflects capital assets with a historical cost of \$213,800 with accumulated depreciation/amortization of \$147,202 and less lease obligations of \$3,880.

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

Revenues	Year Ended December 31, 2022	Restated Year Ended December 31, 2021
DA Program Revenue		
Charges for services	\$ 501,442	\$ 488,689
Operating grants & contributions	1,117,297	1,009,613
Capital grant	-	59,134
General Revenue		
Miscellaneous revenue	44,368	44,826
Interest revenue	113	165
Total Revenue	<u>1,663,220</u>	<u>1,602,427</u>
Program Expenses		
Public Safety and Judicial Prosecution	<u>1,806,188</u>	<u>1,563,047</u>
Increase (Decrease) in Net Assets	(142,968)	39,380
Net Position, Beginning, restated	<u>256,340</u>	<u>216,960</u>
Net Position Ending	<u>\$ 113,372</u>	<u>\$ 256,340</u>

As the accompanying presentation demonstrates, the District Attorney has decreased its reserves by \$142,968 at December 31, 2022. Approximately 30.15% (\$501,442) of the District Attorney's total revenues were derived through charges for services (court, bond and other related fees) compared to 30.5% (\$488,689) for the year ended December 31, 2021.

The District Attorney's total revenue increased \$60,793 (3.79%) for the year ending December 31, 2022. Total expenses increased \$243,141 (15.56%) for the year ending December 31, 2022.

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

For the year ended December 31, 2022, the governmental funds reported a combined fund balance of \$190,122, compared to \$286,178 for the year ended December 31, 2021.

#### **BUDGETARY HIGHLIGHTS**

The District Attorney adopted a budget for its general fund and two special revenue funds for the year ended December 31, 2022. The District Attorney's budgets were amended during the year ended December 31, 2022 to reflect the expected increase in revenue and increase in transfers between funds.

#### **CAPITAL ASSET ADMINISTRATION**

The District Attorney made a prior period adjustment to include a vehicle donated from the Desoto Parish Sheriff during the year ended December 31, 2021.



## DEBT ADMINISTRATION

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

	Governmental Activities	
	2022	2021 restated
Compensated absences	\$ 2,185	\$ 14,732
Net pension liability	312,003	17,395
Lease obligation	3,880	5,283
Total	<u>\$ 318,068</u>	<u>\$ 37,410</u>

## ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

The following factors were considered when the budget was prepared for the year ending December 31, 2023:

- 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 B. Adams, the District Attorney for the Forty-Second Judicial District, P. O. Box 1004, Mansfield, Louisiana, 71052.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR’S REPORT**

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

**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 for the Forty-Second Judicial District (District Attorney), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District Attorney’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District Attorney as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 2 through 6 and 33 through 38 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 23, 2023, on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *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 23, 2023, 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 23, 2023

## 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, 2022

	Governmental Funds Financial Statements				Adjustments	Government-wide Statements Statement of Net Position
	<b>Balance Sheet</b>					
	General Fund	Title IV-D Fund	Diversion Fund	Total		
<b>ASSETS</b>						
Cash and interest-bearing deposits	\$ 115,894	\$ 84,396	\$ -	\$ 200,290	\$ -	\$ 200,290
Accounts receivables, net	16,338	43,505	-	59,843	-	59,843
Interfund receivable	97,785	-	-	97,785	(97,785)	-
Prepaid expenses	-	-	-	-	244	244
Capital assets, net	-	-	-	-	66,598	66,598
<b>TOTAL ASSETS</b>	<b>\$ 230,017</b>	<b>\$ 127,901</b>	<b>\$ -</b>	<b>\$ 357,918</b>	<b>(30,943)</b>	<b>326,975</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related	-	-	-	-	272,762	272,762
<b>LIABILITIES</b>						
Accounts payable	\$ 30,500	\$ 864	\$ -	\$ 31,364	-	31,364
Interfund payable	-	97,785	-	97,785	(97,785)	-
Payroll related liabilities	32,662	5,985	-	38,647	-	38,647
Current lease obligation	-	-	-	-	1,677	1,677
Noncurrent liabilities:						
Lease obligation	-	-	-	-	2,203	2,203
Compensated absences	-	-	-	-	2,185	2,185
Net pension liability	-	-	-	-	312,003	312,003
<b>TOTAL LIABILITIES</b>	<b>63,162</b>	<b>104,634</b>	<b>-</b>	<b>167,796</b>	<b>220,283</b>	<b>388,079</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension related	-	-	-	-	98,286	98,286
<b>FUND BALANCE/NET POSITION</b>						
Fund Balances:						
Restricted	-	23,267	-	23,267	(23,267)	-
Unassigned	166,855	-	-	166,855	(166,855)	-
<b>TOTAL FUND BALANCES</b>	<b>166,855</b>	<b>23,267</b>	<b>-</b>	<b>190,122</b>	<b>(190,122)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 230,017</b>	<b>\$ 127,901</b>	<b>\$ -</b>	<b>\$ 357,918</b>		
<b>Net Position:</b>						
Net investment in capital assets					62,718	62,718
Restricted					23,267	23,267
Unrestricted					27,387	27,387
<b>TOTAL NET POSITION</b>					<b>\$ -</b>	<b>\$ 113,372</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, 2022**

Fund Balance - Governmental Fund	\$	190,122
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.		244
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		66,598
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		272,762
Long-term liabilities are not due and payable on the current period, and therefore, are not reported in the governmental fund:		
Accrued compensated absences		(2,185)
Lease Obligation		(3,880)
Deferred inflows-pension related		(98,286)
Net pension liability		<u>(312,003)</u>
Total Net Position of Government Activities	\$	<u><u>113,372</u></u>

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, 2022

	Governmental Funds Financial Statements				Adjustments	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		
<b>Expenditures/expenses</b>						
Public safety and Judicial Prosecution						
Personal services & related benefits	\$ 1,202,122	\$ 243,010	\$ -	\$ 1,445,132	\$ 70,126	\$ 1,515,258
Operating expense:	249,197	25,818	-	275,015	(1,967)	273,048
Depreciation and amortization	-	-	-	-	17,882	17,882
Total expenditures/expense	<u>1,451,319</u>	<u>268,828</u>	<u>-</u>	<u>1,720,147</u>	<u>86,041</u>	<u>1,806,188</u>
<b>Program revenues</b>						
Charges for services:				-		
Fines, fees, contracts	227,039	274,403	-	501,442	-	501,442
Operating grants and contributions						
State of Louisiana	277,281	-	-	277,281	-	277,281
DeSoto Parish Police Jury	792,138	-	-	792,138	-	792,138
DeSoto Parish Criminal Court Fund	47,878	-	-	47,878	-	47,878
Capital grants	-	-	-	-	-	-
Total program revenues	<u>1,344,336</u>	<u>274,403</u>	<u>-</u>	<u>1,618,739</u>	<u>-</u>	<u>1,618,739</u>
Net program expense	(106,983)	5,575	-	(101,408)	(86,041)	(187,449)
<b>General Revenues</b>						
Miscellaneous income	4,756	-	51	4,807	39,561	44,368
Investment earnings	2	-	111	113	-	113
Total General Revenues	<u>4,758</u>	<u>-</u>	<u>162</u>	<u>4,920</u>	<u>39,561</u>	<u>44,481</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	(102,225)	5,575	162	(96,488)	(46,480)	(142,968)
Other financing sources(uses):						
Operating transfers in(out)	<u>34,245</u>	<u>-</u>	<u>(34,245)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures and other financing sources(uses)/ changes in net position	(67,980)	5,575	(34,083)	(96,488)	(46,480)	(142,968)
<b>Fund Balance / Net Position</b>						
Beginning of the year, restated	234,835	17,692	34,083	286,610		256,340
End of the year	<u>\$ 166,855</u>	<u>\$ 23,267</u>	<u>\$ -</u>	<u>\$ 190,122</u>		<u>\$ 113,372</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, 2022

**Net change in Fund Balance - Governmental Fund** \$ (96,488)

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	\$ -	
Depreciation/amortization expense	<u>(17,882)</u>	(17,882)

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	\$ (70,898)	
Non-employer contributions to cost-sharing pension plan	39,561	
Compensated absences	<u>772</u>	(30,565)

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.

Increase in prepaid expenses		30
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Payments made on long-term leases are shown as expenditures in the Governmental Funds, but the payments reduce long-term liabilities in the Statement of Net Position.

Lease expense		1,937
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Net change in Net Position		\$ <u><u>(142,968)</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, 2022

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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.

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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. The Diversion Fund was eliminated during the year ended December 31, 2022.

**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.

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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, 2022 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.

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**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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position reports a separate section for Deferred of Inflows of Resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to future period(s) and so will not recognized as an inflow of resources (revenue) until that time. The District Attorney recognizes differences between expected and actual factors in total pension liability measurements, changes in assumptions about future factors in the total pension liability measurements, and the differences between projected and actual earnings on pension plan investments within these financial statement sections.

**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.

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

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

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.
- 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.

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## 2. CASH AND INTEREST-BEARING DEPOSITS

At December 31, 2022, the District Attorney has cash and cash equivalents (book balances) totaling \$200,290 as follows:

Demand deposits	\$	197,163
Interest-bearing demand deposits		3,127
Total	\$	200,290

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

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, 2022, the District Attorney has \$200,705 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

## 3. RECEIVABLES

The General Fund receivables of \$16,338 at December 31, 2022, are as follows:

Fines, fees, and forfeitures	\$	13,664
Grants		2,500
Reimbursement		174
Total	\$	16,338

Title IV-D receivables of \$43,505 at December 31, 2022, 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	\$	97,785	\$	-
Title IV-D fund		-		97,785
	\$	97,785	\$	97,785

## 5. PREPAID EXPENSES

Prepaid expenses of \$244 at December 31, 2022, consist of prepaid insurance.



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## 6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2022, is as follows:

<u>Governmental Activities</u>	Beginning Balance restated	Additions	Deletions	Ending Balance
Capital assets, not depreciated				
Land	\$ 7,875	\$ -	\$ -	\$ 7,875
Total non-depreciable capital assets	<u>7,875</u>			<u>7,875</u>
Capital assets being depreciated				
Buildings & improvements	60,165	-	-	60,165
Equipment, furniture & fixtures	65,994	-	-	65,994
Vehicles	71,950	-	-	71,950
Total depreciable capital assets	<u>198,109</u>	<u>-</u>	<u>-</u>	<u>198,109</u>
Less Accumulated Depreciation				
Buildings & improvements	(43,589)	(2,611)	-	(46,200)
Equipment, furniture & fixtures	(60,409)	(1,881)	-	(62,290)
Vehicles	(22,456)	(11,827)	-	(34,283)
Total accumulated depreciation	<u>(126,454)</u>	<u>(16,319)</u>	<u>-</u>	<u>(142,773)</u>
Right-of-use assets				
Leased equipment	7,816	-	-	7,816
Less accumulated amortization	(2,866)	(1,563)	-	(4,429)
Net right-of-use assets	<u>4,950</u>	<u>(1,563)</u>	<u>-</u>	<u>3,387</u>
Total	<u>\$ 84,480</u>	<u>\$ (17,882)</u>	<u>\$ -</u>	<u>\$ 66,598</u>

Depreciation and amortization expense of \$17,882 was charged to the judiciary function of the governmental activities.

## 7. 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.

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

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.

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.

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

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.

Permanent Benefit Increases/Cost-of-Living Adjustments

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.

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.

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

**EMPLOYER CONTRIBUTIONS:**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the actual employer contribution rate was 9.5%. Contributions to the pension plan from the District Attorney were \$22,650 for the year ended December 31, 2022.

**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, 2022, 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 \$37,503.

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

At December 31, 2022, the District Attorney reported a liability of \$390,368 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2022 (System's measurement date), the District Attorney's proportion was 0.362387% which was an increase of 0.04730% from the proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the District Attorney recognized pension expense of \$90,995, representing its proportionate share of the Plan's net expense, including amortization of deferred amounts.

At December 31, 2022, 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	\$ 27,610	\$ 12,211
Changes in Assumptions	84,675	-
Net Difference between projected and actual earnings on pension plan	116,535	-
Changes in employer's proportion of beg NPL	12,253	-
Differences between employer and proportionate share of contributions	4,490	23,092
Subsequent Measurement Contributions	11,511	-
Total	<u>\$ 257,074</u>	<u>\$ 35,303</u>

The District Attorney reported a total of \$11,511 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2022, which will be recognized as a reduction in net pension liability in the year ended December 31, 2022.

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

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

Year	Amount
2023	\$ 60,981
2024	43,575
2025	37,015
2026	68,689
TOTAL	\$ 210,260

**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, 2022, are as follows:

Valuation Date	June 30, 2022
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 for current employees, each with full generational projection 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, 2022
	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

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

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 7.69% for the year ended June 30, 2022.

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

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

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, 2022		
	1% Decrease 5.1%	Current Discount Rate 6.1%	1% Increase 7.1%
Net Pension Liability (Asset)	\$ 654,682	\$ 390,368	\$ 168,660

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

**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. PENSION PLAN – DISTRICT ATTORNEY AND ASSISTANT DISTRICT ATTORNEYS (continued)**

**CHANGE IN NET PENSION LIABILITY:**

The changes in the net pension liability for the year ended December 31, 2022, 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 \$27,610 and deferred inflows of resources of \$12,211 as of December 31, 2022,

*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 \$116,535 as of December 31, 2022.

*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 \$84,675 as of December 31, 2022.

*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 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.

**8. 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).

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

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.

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.



**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

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.

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, 2021, the actuarially determined contribution rate was 7.07% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2021 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 \$2,058.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
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**8. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM (PERS) (continued)**

The District Attorney's contractually required composite contribution rate for the year ended December 31, 2022, 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 \$11,000, \$12,013, and \$12,949 for the years ended December 31, 2022, December 31, 2021, and December 31, 2020, respectively. These contributions do not include on-behalf payments.

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

At December 31, 2022, the District Attorney reported a benefit of \$78,365 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 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 December 31, 2021, the District Attorney's proportion was 0.140235%, which was a decrease of 0.01051% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District Attorney recognized a pension benefit of \$20,097 plus or minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At December 31, 2022, 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	\$ 1,489	\$ 8,328
Changes in Assumptions	3,148	-
Net Difference between projected and actual earnings on pension plan	-	51,052
Changes in employer's proportion of beg NPL	49	3,603
Differences between employer and proportionate share of contributions	2	-
Subsequent Measurement Contributions	11,000	
Total	<u>\$ 15,688</u>	<u>\$ 62,983</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 \$11,000 will be recognized as a reduction of the net pension liabilities in the year of December 31, 2022. 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>
2023	(13,092)
2024	(24,431)
2025	(15,295)
2026	(5,477)
TOTAL	<u>\$ (58,295)</u>

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
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**8. 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, 2022, is as follows:

Valuation Date	December 31, 2021
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 2.10% 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, 2021.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. 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, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	33.00%	0.85%
Equity	51.00%	3.23%
Alternatives	14.00%	0.71%
Real assets	2.00%	0.11%
	<u>100.00%</u>	<u>4.90%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

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

**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, 2022		
	1% Decrease	Current Discount	1% Increase
	5.4%	Rate 6.4%	7.4%
Net Pension Liability (Asset) \$	\$ (6,767)	\$ (78,365)	\$ (138,239)

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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### 9. LEASES

The District Attorney has entered into an agreement to lease a copy machine. Lease agreement is summarized as follows:

Describe	Date	Payment Terms	Payment amount	Interest Rate	Total Lease Liability	Balance 12/31/2022
Xerox printer lease	3/1/2020	5 years	\$ 168	11%	\$ 10,104	\$ 3,880

The changes in lease liability for December 31, 2022, is as follows:

Beginning Lease Liability	\$ 5,383
Additions	-
Deductions	(1,503)
Ending Lease Liability	<u>\$ 3,880</u>

Current-year lease expense is \$1,970. Future minimum lease payments are as follows:

Year Ending December 31,	Principal	Interest
2023	\$ 1,677	\$ 344
2024	1,871	150
2025	332	5
Total	<u>\$ 3,880</u>	<u>\$ 499</u>

### 10. ON-BEHALF OF PAYMENTS

The District Attorney recorded on behalf of payments totaling \$277,281 from the State of Louisiana and \$792,138 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:

	DPPJ	State of LA
Payroll and payroll taxes	\$ 471,651	\$ 253,539
Retirement	32,580	23,742
Health Insurance	132,602	-
Operating expenses	155,305	-
	<u>\$ 792,138</u>	<u>\$ 277,281</u>

### 11. RESTATEMENT OF PRIOR YEAR FUND BALANCES

For the year ended December 31, 2022, the District Attorney implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirement for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. These changes were incorporated in the District Attorney's December 31, 2022, financial statements and had an effect on the beginning net position of the Government-wide statements of \$433. The District Attorney also restated his beginning net position to include a donated vehicle and eliminate uncompensated absences.

**DISTRICT ATTORNEY FOR THE FORTY-SECOND JUDICIAL DISTRICT**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. RESTATEMENT OF PRIOR YEAR FUND BALANCES (continued)**

These changes had the following effect on net position as reported December 31, 2021:

Net position, beginning of year, as previously stated	\$	216,306
Adoption of GASB No. 87, <i>Leases</i>		
Right-to-use assets	7,815	
Accumulated amortization	(2,866)	
Leases payable	<u>(5,382)</u>	(433)
Increase due to accruing uncompensated absences for employees paid by DeSoto Parish Police Jury		11,774
Net increase for failing to recognize vehicle donated from DeSoto Sheriff in prior year		28,693
Net position, beginning of year, as restated	\$	<u><u>256,340</u></u>

**12. INTERFUND TRANSACTIONS**

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction reported as a transfer and is treated as a source of income by the recipient and as an expenditure or expense by the provider. If repayment is expected, these receivables and payables are classified as "Due from other funds" or "Due to other funds". In preparing the government-wide financial statements, interfund receivables and payables are eliminated, along with the transfers in and out.

**13. SUBSEQUENT EVENTS**

Management has performed an evaluation of the District Attorney's activities through August 23, 2023, which is the date the financial statements were available to be issued, and has concluded there is no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

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, 2022

	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	\$ 227,950	\$ 277,950	\$ 1,202,122	\$ (1,069,419)	\$ 132,703	\$ 145,247
Operating expenses	79,142	99,142	249,197	-	249,197	(150,055)
Capital outlays	-	-	-	-	-	-
Total expenditures/expenses	<u>307,092</u>	<u>377,092</u>	<u>1,451,319</u>	<u>(1,069,419)</u>	<u>381,900</u>	<u>(4,808)</u>
Revenues						
Fines, fees, and other commissions	208,000	208,000	227,039	-	227,039	19,039
Grants and contributions	-	-	1,117,297	(1,069,419)	47,878	47,878
Miscellaneous income	4,700	4,700	4,756	-	4,756	56
Investment earnings	-	-	2	-	2	2
Total General Revenues	<u>212,700</u>	<u>212,700</u>	<u>1,349,094</u>	<u>(1,069,419)</u>	<u>279,675</u>	<u>66,975</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	(94,392)	(164,392)	(102,225)	-	(102,225)	62,167
Other financing sources(uses):						
Operating transfers in(out)	18,000	18,000	34,245	-	34,245	16,245
Total other financing sources (uses)	<u>18,000</u>	<u>18,000</u>	<u>34,245</u>	<u>-</u>	<u>34,245</u>	<u>16,245</u>
Excess(deficiency) of revenues over expenditures and other financing sources(uses)/changes in net position	(76,392)	(146,392)	(67,980)	-	(67,980)	78,412
Fund Balance / Net Position						
Beginning of the year	234,835	234,835	234,835		234,835	-
End of the year	<u>\$ 158,443</u>	<u>\$ 88,443</u>	<u>\$ 166,855</u>		<u>\$ 166,855</u>	<u>\$ 78,412</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures/expenses				
Public safety and Judicial Prosecution				
Personal services & related benefits	\$ 247,550	\$ 247,550	\$ 243,010	\$ 4,540
Operating expenses	<u>28,850</u>	<u>28,850</u>	<u>25,818</u>	<u>3,032</u>
Total expenditures/expenses	<u>276,400</u>	<u>276,400</u>	<u>268,828</u>	<u>7,572</u>
Revenues				
Contract	<u>276,400</u>	<u>276,400</u>	<u>274,403</u>	<u>(1,997)</u>
	<u>276,400</u>	<u>276,400</u>	<u>274,403</u>	<u>(1,997)</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	-	-	5,575	5,575
Fund Balance / Net Position				
Beginning of the year	17,692	17,692	17,692	-
End of the year	<u>\$ 17,692</u>	<u>\$ 17,692</u>	<u>\$ 23,267</u>	<u>\$ 5,575</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures/expenses				
Public safety and Judicial Prosecution				
Personal services & related benefits	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	-	-	-
LACE	-	-	-	-
Total expenditures/expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues				
Fines, fees, and other commissions	-	-	-	-
Grants and contributions	-	-	-	-
Miscellaneous income	-	-	51	51
Investment earnings	-	-	111	111
Total General Revenues	<u>-</u>	<u>-</u>	<u>162</u>	<u>162</u>
Excess(deficiency) of revenues over expenditures/ changes in net position	-	-	162	162
Other financing sources(uses):				
Operating transfers in(out)	-	(34,083)	(34,245)	(162)
Total other financing sources (uses)	<u>-</u>	<u>(34,083)</u>	<u>(34,245)</u>	<u>(162)</u>
Excess(deficiency) of revenues over expenditures and other financing sources(uses)/ changes in net position	-	(34,083)	(34,083)	-
Fund Balance / Net Position				
Beginning of the year	34,083	34,083	34,083	-
End of the year	<u>\$ 34,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a % of its covered- employee payroll	Plan fiduciary net position as a % 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%
2022	0.36239%	\$ 390,368	\$ 249,500	156%	82%

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%
2022	0.14024%	\$ (78,365)	\$ 160,174	-49%	114%

\*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, 2022

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 % 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%
2022	\$ 22,650	\$ 22,650	\$ -	\$ 253,417	8.94%
<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%
2022	\$ 11,000	\$ 11,000	\$ -	\$ 146,666	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, 2022

**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 December 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 \$4,808 (1.28%) more than final budgeted amounts, revenues were \$66,975 (31.49%) more than budgeted amounts and transfers in were \$16,245 (90.25%) 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 \$7,572 (2.74%) more than budgeted amounts, revenues were \$1,997 (0.72%) less than budgeted amounts. The District Attorney is in compliance with the Louisiana Local Government Budget Act for the Title IV-D Fund.

For the Diversion Fund, District Attorney had no expenditure as expected, revenues were more than budgeted by \$162 and transfers out were \$162 (0.42%) 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, 2022

**Charles B Adams,**  
**District Attorney**

## SECTION I

Paid by the District Attorney for the Forty-Second Judicial District

Purpose:

Salary	\$	91,667
Benefits- retirement		8,708
Benefits- other		435
License		435

## SECTION II

Paid by the DeSoto Parish Police Jury

Purpose:

Salary	\$	2,375
Benefits- retirement		225
Benefits - other		34

## SECTION III

Paid by the State of Louisiana

Purpose:

Salary	\$	53,903
Benefits- retirement		5,121
Benefits-other		782

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, 2022**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 6/30/22</b>	<b>Second Six Month Period Ended 12/31/22</b>
<b>Receipts From:</b>		
<i>Criminal Court Costs/Fees:</i>		
DeSoto Parish Sheriff	\$ 40,867	\$ 43,253
42nd Judicial Court	-	-
Louisiana Department of Public Safety	1,913	1,275
Louisiana Fee Collection	3,709	5,929
Other	750	625
<i>Probation/Parole/Supervision Fees</i>		
42nd Judicial Court	11,904	9,324
<i>Asset Forfeiture/Sale</i>		
DeSoto Parish Sheriff	3,454	-
<i>Bond Fees</i>		
DeSoto Parish Sheriff	12,785	21,294
<b>Total Receipts</b>	<b>\$ 75,382</b>	<b>\$ 81,700</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, 2022**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 06/30/2022</b>	<b>Second Six Month Period Ended 12/31/2022</b>
<b>Beginning Balance of Amounts Collected</b>	\$ 44,219	\$ 39,073
<b>Add: Collections</b>		
Asset Forfeiture/Sale	8,707	11,073
Restitution	11,645	9,647
Interest Earnings on Collected Balances	54	56
<b>Subtotal Collections</b>	<u>20,406</u>	<u>20,776</u>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
<b>Pre-trial Diversion:</b>		
Other	-	1,096
Amounts Retained by Collecting Agency	3,233	40,000
<b>Asset Forfeiture</b>		
42nd Judicial District	2,317	2,055
DeSoto Parish Sheriff	8,357	6,166
Amounts Retained by Collecting Agency	-	885
<b>Restitution</b>		
Amounts Retained by Collecting Agency	11,645	9,647
<b>Subtotal Disbursements/Retainage</b>	<u>25,552</u>	<u>59,849</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>\$ 39,073</u>	<u>\$ -</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.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States 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, 2022, and the related notes to the financial statements, which collectively comprise the District Attorney for the Forty-Second Judicial District's (District Attorney) basic financial statements and have issued our report thereon dated August 23, 2023.

**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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 23, 2023

District Attorney for the Forty-Second Judicial District  
Schedule of Audit Results  
Year Ended December 31, 2022

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the District Attorney for the Forty-Second Judicial District as of and for the year ended December 31, 2022.
2. The audit disclosed no material weaknesses in internal control.
3. The audit disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None identified.

III. PRIOR YEAR AUDIT FINDINGS

None identified.

**T | C | B | T**  
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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING  
STATEWIDE AGREED-UPON PROCEDURES**

To the District Attorney for the Forty-Second Judicial District 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, 2022 through December 31, 2022. The District Attorney for the Forty-Second Judicial District’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, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed many not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:
  - ***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 schedules.
- **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, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- **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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

#### ***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 quarterly budget-to-actual comparisons on the proprietary fund.
  - Obtained the prior year audit report and observed the unrestricted net position in the General Fund. If the General Fund had a negative ending unrestricted net position 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 unrestricted net position in the General Fund.

- Observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

***Procedure Results: No exceptions were noted as a result of these procedures.***

### ***Bank Reconciliations***

---

3. We obtained a listing of entity 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, 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 included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
  - 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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

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

---

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (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, then 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 also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - 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 in force 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.

*Procedure Results: No exceptions were noted as a result of these procedures.*

***Non-Payroll Disbursements (excluding card purchases, 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 (or all locations if less than 5).
9. For each location selected under #8 above, obtained 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, then inquired 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 or 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.
  - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.
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, whether paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity.
  - We observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in procedure #3 under Bank Reconciliations, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. If no electronic payments were made from the main operating account during the month selected, we selected an alternative month and/or account for testing that does include electronic disbursements.

***Procedure Results: No exceptions were noted as a result of these procedures.***

#### ***Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)***

---

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. 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.
14. 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 (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) 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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

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

---

15. 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 5 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 5 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 #1, 8<sup>th</sup> bullet).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Procedure Results: No exceptions were noted as a result of these procedures.***

### ***Contracts***

---

16. We obtained from management a listing of all agreements/contracts (or active vendor list) 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 5) 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 whether 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, the document approval).
  - 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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

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

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17. 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 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records 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 or 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.
19. 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's policy on termination payments. If applicable, we agreed the hours to the employee's or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.
20. 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, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

***Procedure Results: No exceptions were noted as a result of these procedures.***

### ***Ethics***

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21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
- We observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
  - 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.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

***Procedure Results: No exceptions were noted as a result of these procedures.***

### ***Debt Service***

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23. 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 District Attorney approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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).

***Procedure Results: No exceptions were noted as a result of these procedures.***

### ***Fraud Notice***

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25. 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 as required by R.S. 24:523.
26. 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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

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

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27. 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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19, and observed evidence that the selected terminated employees have been removed or disabled from the network.

***Procedure Results: We performed the procedures and discussed the results with management.***

### ***Prevention of Sexual Harassment***

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29. We randomly selected the employees/officials from procedure #17 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 as required by R.S. 42:343.
30. 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).
31. 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.

***Procedure Results: No exceptions were noted as a result of these procedures.***

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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