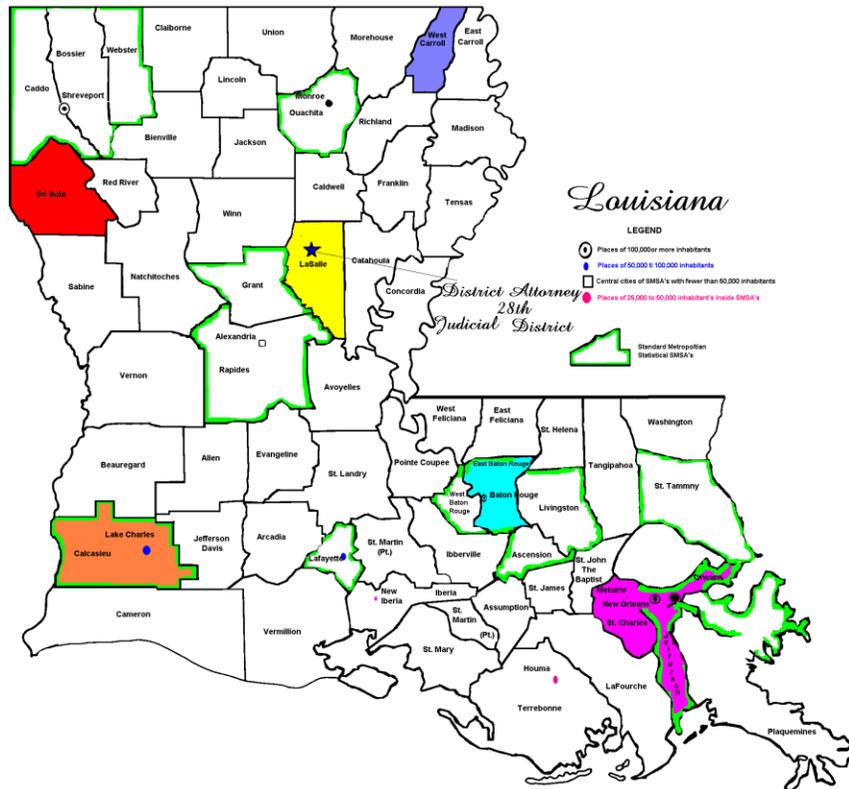


**DISTRICT ATTORNEY  
OF THE  
TWENTY-EIGHTH JUDICIAL DISTRICT**

**Financial Statements &  
Supplemental Financial Information**

**December 31, 2021**

**DISTRICT ATTORNEY  
OF THE  
TWENTY-EIGHTH JUDICIAL DISTRICT  
PARISH OF LASALLE  
STATE OF LOUISIANA**



**\* District Attorney of the Twenty-Eighth Judicial District**

The District Attorney has charge of every criminal prosecution by the state in his district and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. His jurisdiction covers the Twenty-Eighth Judicial District of the State of Louisiana.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
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December 31, 2021**

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Certified Fraud Examiners

### **INDEPENDENT AUDITOR'S REPORT**

Honorable Reed Walters  
District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana

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

##### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund of the District Attorney of the Twenty-Eighth Judicial District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Eighth Judicial District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of the District Attorney of the Twenty-Eighth Judicial District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinions***

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

##### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District Attorney of the Twenty-Eighth Judicial District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *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 of the Twenty-Eighth Judicial District'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 of the Twenty-Eighth Judicial District'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.

### **Emphasis of Matter**

As disclosed in the financial statements, the office's proportionate share of total net pension liability for the District Attorney's Retirement System, State of Louisiana, was \$29,064 as of December 31, 2021. The actuarial valuation was based on various assumptions made by the actuaries. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the net pension liability at December 31, 2021, could be under or overstated. Our opinions are not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedules 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 of the Twenty-Eighth Judicial District's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 the Justice System Funding Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022, on our consideration of the District Attorney of the Twenty-Eighth Judicial District'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 of the Twenty-Eighth Judicial District'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 District Attorney of the Twenty-Eighth Judicial District's internal control over financial reporting and compliance.

*The Vercher Group*

Jena, Louisiana  
May 6, 2022

**Management Discussion  
& Analysis  
(MD&A)**

# District Attorney of the Twenty-Eighth Judicial District

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## MANAGEMENT'S DISCUSSION & ANALYSIS

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As management of the District, we offer readers of the District Attorney of the Twenty-Eighth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

- The liabilities of the District's governmental activities exceeded its assets at the close of the most recent fiscal year by \$27,140 (*net position*).
- The district had total revenues of \$1,034,239 which is a \$192,049 increase from last year.
- The district had total expenditures of \$1,003,455 which is a \$157,625 increase from last year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

### 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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**MD&A**

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**USING THIS ANNUAL REPORT**

The District's annual report consists of financial statements that show information about the District's fund, a governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

**Table 1**  
**Balance Sheet**  
**Governmental Activities**

The following table represents a condensed Comparative Statement of Net Position as of December 31, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>Assets</b>			
Cash & Investments	\$ 30,208	\$ 63,983	111.8
Receivables	9,339	10,587	13.3
Capital Assets, Net of Accumulated Depreciation	7,419	17,960	142.0
<b>Total Assets</b>	<u>46,966</u>	<u>92,530</u>	97.0
<b>Deferred Outflow of Resources</b>			
<b>Pension Fund Related</b>	81,902	68,212	-16.7
<b>Liabilities</b>			
Accounts, Salaries, & Other Payables	10,745	14,984	39.5
Due To Other Funds	-0-	-0-	
Net Pension Liability	123,020	29,064	76.4
<b>Total Liabilities</b>	<u>133,765</u>	<u>44,048</u>	-67.1
<b>Deferred Inflow of Resources</b>			
<b>Pension Fund Related</b>	13,768	89,557	550.5
<b>Net Position</b>			
Net Investment in Capital Assets	7,419	17,960	142.1
Unrestricted	(26,084)	9,180	64.8
<b>Total Net Position</b>	<u>\$ (18,665)</u>	<u>\$ 27,140</u>	45.4

**MD&A**

**Table 2**  
**Changes in Fund Balance**  
**Governmental Funds**

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>Revenues:</b>			
Charges for Services	\$ 71,423	\$ 57,636	-19.3
Intergovernmental Revenue (Grants)	101,025	198,528	96.5
P. T. I. Income	9,925	33,785	240.4
On Behalf Payments-Police Jury	401,039	507,863	26.6
On Behalf Payments-State	207,778	207,777	0.0
Miscellaneous Income	51,000	28,650	-43.8
<b>Total Revenues</b>	<u>842,190</u>	<u>1,034,239</u>	22.8
<b>Expenditures:</b>			
Worthless Checks	47,493	22,116	-53.4
General & Administrative	181,797	237,136	30.4
Cost of Court	2,153	2,419	12.4
Capital Outlay	-0-	17,000	100.0
Debt Service	-0-	-0-	0.0
On Behalf Payments-Police Jury	401,039	507,863	26.6
On Behalf Payments-State	207,778	207,777	0.0
Other Expenses	5,570	9,010	61.8
<b>Total Expenditures</b>	<u>845,830</u>	<u>1,003,321</u>	18.6
Increase (Decrease) in Fund Balances	<u>(3,640)</u>	<u>30,918</u>	749.4
<b>Beginning Fund Balances</b>	<u>32,442</u>	<u>28,802</u>	-11.2
<b>Ending Fund Balances</b>	<u>\$ 28,802</u>	<u>\$ 59,720</u>	107.3

**CAPITAL ASSETS**

At December 31, 2021, the District had \$17,960 invested in capital assets, including furniture and equipment.

**Capital Assets at Year-End**

	<u>2020</u>	<u>2021</u>
Furniture & Equipment	\$ 136,664	\$ 153,664
Accumulated Depreciation	(129,245)	(135,704)
<b>Total Capital Assets, Net of Depreciation</b>	<u>\$ 7,419</u>	<u>\$ 17,960</u>

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Reed Walters, District Attorney, at the District Attorney of the Twenty-Eighth Judicial District, PO Box 1940, Jena, Louisiana 71342, telephone number (318) 992-8282.

## **Basic Financial Statements**

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Net Position  
December 31, 2021**

		<b><u>GOVERNMENTAL ACTIVITIES</u></b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$	63,983
Investments		-0-
Accounts Receivable		10,587
Capital Assets, Net of Accumulated Depreciation		17,960
<b>TOTAL ASSETS</b>		<b><u>92,530</u></b>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>		
<b>PENSION FUND RELATED</b>		<b><u>68,212</u></b>
 <b>LIABILITIES</b>		
Accounts Payable		14,984
Net Pension Liability		29,061
<b>TOTAL LIABILITIES</b>		<b><u>44,045</u></b>
 <b>DEFERRED INFLOW OF RESOURCES</b>		
<b>PENSION FUND RELATED</b>		<b><u>89,557</u></b>
 <b>NET POSITION</b>		
Net Investment in Capital Assets		17,960
Unrestricted		9,180
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u>27,140</u></b>

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

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Activities  
Year Ended December 31, 2021**

<b>FUNCTIONS/PROGRAMS</b>	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS</b>	<b>CAPITAL GRANTS</b>	<b>NET (EXPENSE) REVENUE</b>
Governmental Activities:					
General Government – Judicial	\$ (1,005,277)	\$ 28,650	\$ 198,528	\$ -0-	\$ (778,099)
Interest Expense	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>\$ (1,005,277)</b>	<b>\$ 28,650</b>	<b>\$ 198,528</b>	<b>\$ -0-</b>	<b>\$ (778,099)</b>
					33,785
					507,863
					207,777
					74,479
					<b>823,904</b>
					<b>CHANGE IN NET POSITION</b>
					45,805
					Prior Period Adjustment
					-0-
					<b>NET POSITION – BEGINNING</b>
					(18,665)
					<b>NET POSITION – ENDING</b>
					\$ 27,140

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

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Balance Sheet – Governmental Funds  
December 31, 2021**

		<b>GENERAL FUND</b>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$	63,983
Investments		-0-
Accounts Receivables		10,587
<b>TOTAL ASSETS</b>		74,570
<b>LIABILITIES &amp; FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable		14,984
<b>TOTAL LIABILITIES</b>		14,984
<b>FUND BALANCES</b>		
Unassigned		59,586
<b>TOTAL FUND BALANCES</b>		59,586
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	\$	74,570

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

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Reconciliation of the Balance Sheet – Governmental Funds  
to the Statement of Net Position  
Year Ended December 31, 2021**

Fund balances – total governmental funds \$ 59,586

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital Assets	153,664	
Less Accumulated Depreciation	<u>(135,704)</u>	17,960

Deferred inflows and outflows of resources not recognized in the fund balance of Governmental Funds Statement.

Pension Related Inflows	(89,554)	
Pension Related Outflows	<u>68,212</u>	(21,342)

Long-term liabilities including bonds payable are not due and Payable in the current period and, therefore, are not reported in the Governmental Funds.

Lease Payable	-0-	
Net Pension Liability	<u>(29,064)</u>	<u>(29,064)</u>

Net position of governmental activities		\$ <u><u>27,140</u></u>
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The accompanying notes are an integral part of the financial statements.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Statement of Revenues, Expenditures, & Changes in Fund Balance  
Year Ended December 31, 2021**

	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Commissions on Fines	\$ 51,957
Worthless Check Collection	28,650
Other Income	5,679
Intergovernmental Revenue (Grants)	198,528
P. T. I. Income	33,785
On Behalf Payments-Police Jury	507,863
On Behalf Payments-State	207,777
<b>TOTAL REVENUES</b>	<b>1,034,239</b>
 <b>EXPENDITURES</b>	
Worthless Checks	22,116
Auto Expenditures	4,317
Travel	4,400
Dues & Subscriptions	7,331
Capital outlay	17,000
Utilities	2,289
Office Expenditures	43,725
Contract Labor	10,980
Cost of Court	2,419
Payroll Expenditures	164,094
Other Expenditures	-0-
Revenue Sharing	9,010
Debt Service	-0-
On Behalf Payments-Police Jury	507,863
On Behalf Payments-State	207,777
<b>TOTAL EXPENDITURES</b>	<b>1,003,321</b>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <b>30,918</b>
 <b>FUND BALANCE – BEGINNING OF YEAR</b>	 <b>28,802</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ <u>59,720</u></b>

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

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances  
of Government Funds to the Statement of Activities  
Year Ended December 31, 2021**

Net change in fund balances – total governmental funds \$ 30,784

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

Governmental funds report pension outlays as expenditures. However, in the Statement of Activities, the cost is based on various assumptions made by the pension fund’s actuary. Governmental funds do not recognize employee contributions to the pension fund as revenue.

Pension Revenue	16,843	
Difference in pension expenditures and pension expense	(12,363)	
	4,480	4,480

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Deletion of Assets	-0-	
Capital Outlay	17,000	
Depreciation Expense	(6,459)	
	10,541	10,541

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to Government Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	-0-	
Principle Paid	-0-	
	-0-	

Change in net position of governmental activities \$ 45,805

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

**Notes to the Basic  
Financial Statements**

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**INTRODUCTION**

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the Grand Jury in his district, and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs ten people.

**1. SUMMARY OF SIGNIFICANT POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the District Attorney of the 28<sup>th</sup> Judicial District, a component unit of the LaSalle Parish Police Jury, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting 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 June 1999.

**B. REPORTING ENTITY**

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the LaSalle Parish Police Jury. The police jury and councils maintain and operate the parish courthouse in which the District Attorney's office is located and provides funds for payroll and other expenses of the District Attorney's office. In addition, the councils and police jury's financial statements would be incomplete or misleading without inclusion of the District Attorney. For these reasons, the District Attorney was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entities of LaSalle Parish.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general governmental services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

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

**Governmental Funds:**

**General Fund**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

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

The pre-trial intervention program is a diversion program which is offered to selected offenders as an alternative to prosecution. Individuals who volunteer to participate in the program are assessed a fee and receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. Fees received may be used for any purpose at the sole discretion of the District Attorney.

The Title IV-D activity consists of incentive payments and 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 activity 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.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Position and the Statement of Activities display information about the District Attorney as a whole. These statements include all the financial activities of the District Attorney. Information contained in these statements reflects 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). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

- **Program Revenues** – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District Attorney’s general revenues.

Equity Classifications – In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets – Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney’s operations. (See the reconciliation statements).

In the Fund Financial Statements, governmental fund equity is classified as fund balance. The District has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Non-spendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, and then unrestricted resources as they are needed.

The amounts reflected in the General Fund in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

***Revenues***

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. "Available" means collectible within the current period or within 60 days after year end. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector, and intermediary collecting government.

Intergovernmental revenues are recorded when the District Attorney is entitled to the funds.

***Expenditures***

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

***Other Financing Sources (Uses)***

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

**D. DEPOSITS & INVESTMENTS**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

**E. RECEIVABLES & PAYABLES**

All trade and other receivables are shown net of an allowance for un-collectables.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**F. CAPITAL ASSETS**

Capital assets, which include property and equipment, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	7 years
Equipment	7 years

**G. ESTIMATES**

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

**2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)**

***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.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

***Custodial Credit Risk (continued)***

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 that the fiscal agent bank has failed to pay deposit 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's name.

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are describes as follows:

- ***Category 1*** - Insured or collateralized with securities held by the District or by its agent in the District's name.
- ***Category 2*** - Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- ***Category 3*** – Uncollateralized

<u>Bank</u>	<u>Bank Balance At 12/31/2021</u>
Southern Heritage Bank	\$ 53,837
<b>Total</b>	<b>\$ 53,837</b>

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Southern Heritage Market Value</u>
FDIC (Category 1)	\$ 53,837
Securities (Category 2)	-0-
<b>Total</b>	<b>\$ 53,837</b>

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**3. RECEIVABLES**

The receivables of \$10,587 at December 31, 2021, are as follows:

Accounts Receivable		\$	<u>10,587</u>
<b>Total</b>		\$	<u><u>10,587</u></u>

Allowance for doubtful accounts, if any, is considered immaterial and is not presented.

**4. CAPITAL ASSETS**

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

	<u>Beginning of Period</u>		<u>Additions</u>		<u>Deletions/ Transfers</u>		<u>End of Period</u>
Capital assets being depreciated:							
Equipment & furniture	\$ 136,664	\$	17,000	\$	-0-	\$	153,664
Less accumulated depreciation:	<u>(129,245)</u>		<u>(6,459)</u>		<u>-0-</u>		<u>(135,704)</u>
Total assets being depreciated, net	<u>\$ 7,419</u>	\$	<u>10,541</u>	\$	<u>-0-</u>	\$	<u>17,960</u>

**5. ACCOUNTS, SALARIES & OTHER PAYABLES**

The payables of \$14,984 at December 31, 2021, are as follows:

Accounts Payable		\$	<u>14,984</u>
<b>Total Accounts Payable</b>		\$	<u><u>14,984</u></u>

**6. PENSION PLANS**

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.

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The District Attorneys' Retirement System prepares its employer pension schedules in accordance with the standards established by the Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows. GASB Statement No. 67 – *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**Basis of Accounting:**

The District Attorneys' Retirement System's employer pension schedules are prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed.

**System Employees:**

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

**Pension Amount Netting:**

The deferred outflows and deferred inflows of resources resulting from differences between projected and actual earnings on pension plan investments that were recorded in different years were netted to report only a deferred outflow or inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows were not presented on a net basis.

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

**B. PLAN DESCRIPTION:**

The District Attorneys' Retirement System, State of Louisiana, is the administrator of a cost sharing multiple employer-defined benefit pension plan. The System was established on the first day of August, 1956, and was placed under the management of the Board of Trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys, assistant district attorneys in each parish, and employees of this retirement system and the Louisiana District Attorneys' Association.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the Louisiana District Attorneys' Retirement System's Board of Trustees. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

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.

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

Survivor Benefits:

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

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.

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

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 an 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.

C. EMPLOYER CONTRIBUTIONS:

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 4.0%. Employer contributions for the year ended June 30, 2021, were \$2,511,625.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**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, but are not considered special funding situations. Non-employer contributions were recognized as revenue during the year ended June 30, 2021, and excluded from pension expense. Non-employer contributions for the year ended June 30, 2021, were \$10,317,515.

**SCHEDULE OF EMPLOYER ALLOCATIONS:**

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the District Attorneys' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the fiscal year ended June 30, 2021, as compared to the total of all employers' contributions received by the System during the fiscal year ended June 30, 2021.

**D. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER:**

The schedule of pension amounts by employer displays each employer's allocation of the net pension liability. The schedule of pension amounts by employer was prepared using the allocation percentages included in the schedule of employer allocation.

**E. 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.

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

The components of the net pension liability of the System’s employers as of June 30, 2021, are as follows:

Total Pension Liability	\$ 555,070,371
Plan Fiduciary Net Position	<u>(537,267,140)</u>
Total Collective Net Pension Liability	<u>\$ 17,803,231</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021, are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.10%, net of Pension Plan investment expense, including inflation
Projected Salary Increases	5.00% (2.20% inflation, 2.80% merit)
Mortality Rates	<p>Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for General Above-Median Healthy Retirees multiplied by 115% for males and females for annuitants and beneficiaries, each with full generational projection using the MP2019 scale.</p> <p>Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and females for disabled retirees, each with full generational projection using the MP2019 scale.</p>

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**F. ACTUARIAL METHODS AND ASSUMPTIONS: (Continued)**

Expected Remaining	
Service Lives	5 years – June 20, 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
Cost-of-Living Adjustments	Only those previously granted

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long-term rate of return is 8.25% for the year ended June 30, 2021. 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:

<u>Asset Class</u>	Long-Term Target Asset <u>Allocation</u>	<u>Rates of Return</u>	
		<u>Real</u>	<u>Nominal</u>
Equities	57.11%	6.43%	
Fixed Income	30.19%	0.94%	
Alternatives	12.67%	0.89%	
Cash	<u>0.03%</u>	0.00%	
System Total	<u>100.00%</u>		5.80%
Inflation			<u>2.45%</u>
Expected Arithmetic Nominal Return			<u>8.25%</u>

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**F. ACTUARIAL METHODS AND ASSUMPTIONS: (Continued)**

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

**SENSITIVITY TO CHANGES IN DISCOUNT RATE:**

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

	Changes in Discount Rate June 30, 2021		
	1% Decrease 5.10%	Current Discount Rate 6.10%	1% Increase 7.10%
Net Pension Liability (Asset)	<u>\$ 87,292,843</u>	<u>\$ 17,803,231</u>	<u>\$ (40,414,237)</u>

**H. CHANGE IN NET PENSION LIABILITY:**

The changes in the net pension liability for the year ended June 30, 2021, were recognized in the current reporting period as pension expense except as follows:

*Differences between Expected and Actual Experience:*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred outflows of resources and deferred inflows of resources as of June 30, 2021, as follows:

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**H. CHANGE IN NET PENSION LIABILITY: (Continued)**

*Differences between Expected and Actual Experience: (Continued)*

			June 30, 2021		
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2021	\$ 3,382,766	\$ -	\$ 676,553	\$ 2,706,213	\$ -
2020	3,670,341	-	734,068	2,936,273	-
2019	-	6,225,984	(1,556,496)	-	4,669,488
2018	103,690	-	34,563	69,127	-
2017	-	770,024	(256,675)	-	513,349
2016	-	567,641	(283,819)	-	283,822
			Total	\$ 5,711,613	\$ 5,466,659

*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 inflow of resources as of June 30, 2021, as follows:

			June 30, 2021			
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows	Net Deferred Inflows
2021	-	\$ 73,561,927	\$ (14,712,385)	\$ 58,849,542	\$ -	\$ (58,849,542)
2020	11,626,255	-	2,906,563	8,719,692	-	8,719,692
2019	5,104,681	-	1,701,561	3,403,120	-	3,403,120
2018	-	3,387,555	(1,693,777)	-	1,693,778	(1,693,778)
2017	-	499,185	(499,185)	-	-	-
			Total	\$ 12,122,812	\$ 60,543,320	\$ (48,420,508)

**District Attorney of the Twenty-Eighth Judicial District  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**H. CHANGE IN NET PENSION LIABILITY: (Continued)**

*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 as of June 30, 2021, as follows:

		June 30, 2021			
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows
2021	\$ 8,259,455	\$ -	\$ 1,651,891	\$ 6,607,564	\$ -
2020	24,578,594	-	4,915,719	19,662,875	-
2019	-	-	-	-	-
2018	6,146,276	-	2,048,758	4,097,518	-
2017	4,842,953	-	1,614,318	3,228,635	-
			Total	\$ 33,596,592	\$

*Changes in Proportion:*

Changes in the employers' proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employers' pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employers' proportionate shares are presented in the schedule of pension amounts as deferred outflows or deferred inflows as of June 30, 2021.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**F. CONTRIBUTIONS – PROPORTIONATE SHARE:**

Differences between contributions remitted to the System and the employer's proportionate share is 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 a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

**G. ESTIMATES:**

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

**H. RETIREMENT SYSTEM AUDIT REPORT:**

The District Attorneys' Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.la.gov](http://www.la.la.gov).

**7. ON-BEHALF PAYMENTS**

The accompanying financial statements include on-behalf payments made by the LaSalle Parish Police Jury, its Criminal Court Fund, and the State of Louisiana for salaries and related fringe benefits of the District Attorney's employees and office expenses, as required by accounting principles generally accepted in the United State of America.

**8. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The entity overspent its budget by \$258,510 or 34.7% during the fiscal year.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**

**9. SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, May 6, 2022, of the independent auditor's report for potential recognition or disclosure in the financial statements.

**Required Supplementary Information**

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Governmental Funds  
Budgetary Comparison Schedule  
Year Ended December 31, 2021**

	<u>BUDGETED AMOUNTS</u>			<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Commissions on Fines	\$ 32,000	\$ 32,000	\$ 51,957	\$ 19,957
Worthless Check Collection	58,000	58,000	28,650	(29,350)
Other Income	-0-	-0-	5,679	5,679
Intergovernmental Revenue (Grants)	150,000	150,000	198,528	48,528
P.T.I. Income	9,875	9,875	33,785	23,910
On Behalf Payments-Police Jury	311,000	311,000	507,863	196,863
On Behalf Payments-State	188,000	188,000	207,777	19,777
<b>TOTAL REVENUES</b>	<u>748,875</u>	<u>748,875</u>	<u>1,034,239</u>	<u>285,364</u>
<b>EXPENDITURES</b>				
LDAA Monthly Assessment	804	804	-0-	804
Worthless Checks	-0-	-0-	22,116	(22,116)
Auto Expenditures	1,500	1,500	4,317	(2,817)
Travel	81	81	4,400	(4,319)
Dues & Subscriptions	930	930	7,331	(6,401)
Utilities	1,850	1,850	2,289	(439)
Office Expenditures	12,088	12,088	43,725	(31,637)
Contract Labor	-0-	-0-	10,980	(10,980)
Cost of Court	51,840	51,840	2,419	49,421
Payroll Expenditures	168,613	168,613	164,094	4,519
Other Expenditures	6,105	6,105	-0-	6,105
Revenue Sharing	-0-	-0-	9,010	(9,010)
Capital Outlay	2,000	2,000	17,000	(15,000)
Debt Service	-0-	-0-	-0-	-0-
On Behalf Payments-Police Jury	311,000	311,000	507,863	(196,863)
On Behalf Payments-State	188,000	188,000	207,777	(19,777)
<b>TOTAL EXPENDITURES</b>	<u>744,811</u>	<u>744,811</u>	<u>1,003,321</u>	<u>(258,510)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 4,064</u>	<u>\$ 4,064</u>	<u>30,918</u>	<u>\$ 26,854</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>			<u>28,802</u>	
<b>FUND BALANCE – END OF YEAR</b>			<u>\$ 59,720</u>	

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Ten Year Schedule of the Employer's  
Proportionate Share of the Net Pension Liability  
Year Ended December 31, 2021**

<u>Year</u>	<u>Employer's Proportion of the NPL (Percentage)</u>	<u>Employer's Proportionate Share of the NPL (Amount)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the NPL as a Percentage of Its Covered- Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	.132665%	\$7,146	\$77,800	9.2%	98.6%
2016	.159205%	\$30,473	\$77,800	39.17%	95.1%
2017	.158508%	\$42,753	\$88,920	48.08%	93.57%
2018	.154927%	\$49,854	\$96,330	51.75%	92.92%
2019	.163817%	\$52,700	\$96,330	54.71%	93.13%
2020	.155275%	\$123,020	\$158,465	77.63%	84.86%
2021	.163251%	\$29,064	\$147,045	19.77%	96.79%

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

\*Note: covered payroll used is during the measurement period.

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Ten Year Schedule of the Employer Contributions  
Year Ended December 31, 2021**

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Employee Payroll</u>
2015	\$5,445	\$5,452	\$(6)	\$77,800	7%
2016	\$3,385	\$1,946	\$(1,439)	\$77,800	2.5%
2017	-0-	-0-	-0-	\$88,920	0.0%
2018	\$509	\$509	-0-	\$96,330	0.37%
2019	\$2,325	\$2,325	-0-	\$96,330	2.4%
2020	\$8,003	\$8,003	-0-	\$158,465	5.05%
2021	\$6,857	\$6,857	-0-	\$147,045	4.67%

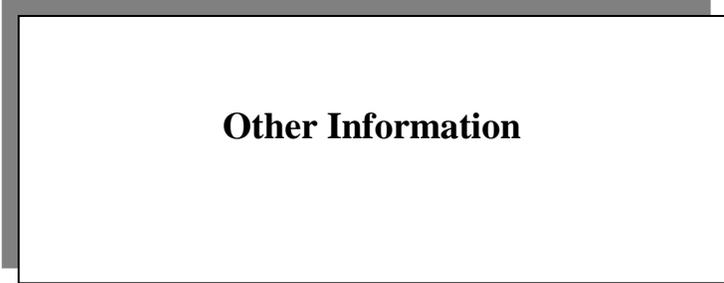
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Notes to Changes to Supplementary Information  
Year Ended December 31, 2021**

Changes in Valuation	
Methods and Assumptions	None

See independent auditor's report.



**Other Information**

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana**

**Schedule of Compensation Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2021**

District Attorney of the Twenty-Eighth Judicial District  
Honorable Reed Walters

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 139,735
Benefits-Insurance	13,699
Benefits-Retirement	12,825
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	2,250
Registration Fees	1,708
Conference Travel	-0-
Professional Organization Dues	435
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

\*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana  
Justice System Funding Schedule – Collecting/Disbursing Entity  
Year Ended December 31, 2021**

	<b>First Six Months Ended 6/30/2021</b>	<b>Second Six Months Ended 12/31/2021</b>
<b>Beginning Balance of Amounts Collected</b>	\$ -0-	\$ -0-
<b>Add: Collections</b>		
Criminal Fines – Other	25,270	26,697
Restitution	12,659	15,991
Probation/Parole/Supervision Fees	23,735	12,700
<b>Subtotal Collections</b>	<u>61,664</u>	<u>55,388</u>
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
LaSalle Parish Sheriff’s Office– Court Costs	1,621	798
<b>Less: Amounts Retained by Collecting Agency</b>		
Criminal Fines – Other	25,270	26,697
Restitution	4,910	2,475
Probation/Parole/Supervision Fees	22,114	11,902
<b>Less: Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agency</b>		
Restitution Payments to Individuals	7,749	13,516
<b>Subtotal Disbursements/Retainage</b>	<u>61,664</u>	<u>55,388</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>-0-</u>	<u>-0-</u>
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	-0-	-0-
<b>Other Information:</b>		
<b>Ending Balance of Total Amounts Assessed but not yet Collected</b>	-0-	-0-
<b>Total Waivers During the Fiscal Period</b>	\$ -0-	\$ -0-

See independent auditor’s report.



**Other Reports**

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## **THE VERCHER GROUP**

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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***

Honorable Reed Walters  
District Attorney of the Twenty-Eighth Judicial District  
Jena, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the District Attorney of the Twenty-Eighth Judicial District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District Attorney of the Twenty-Eighth Judicial District’s basic financial statements, and have issued our report thereon dated May 6, 2022.

#### **Internal Control Over Financial Reporting**

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Eighth Judicial District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item: **2021-1 Budget Variance**.

### **The District Attorney of the Twenty-Eighth Judicial District's Response to Findings**

The District Attorney to the Twenty-Eighth Judicial District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The District Attorney of the Twenty-Eighth Judicial District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*The Vercher Group*

Jena, Louisiana  
May 6, 2022

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT  
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2021**

We were engaged to audit the financial statements of the District Attorney of the Twenty-Eighth Judicial District, Jena, Louisiana, as of and for the year ended December 31, 2021, and have issued our report thereon dated May 6, 2022. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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**Section I Summary of Auditor's Results**

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Our audit of the financial statements as of December 31, 2021, resulted in an unmodified opinion.

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes

Significant Deficiencies  Yes

Compliance

Compliance Material to Financial Statements  Yes

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses  Yes

Other Conditions Yes

Type of Opinion On Compliance Unmodified

Qualified

For Major Programs Disclaimer

Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes  No

**c. Identification of Major Programs:**

**CFDA Number (s)**

**Name of Federal Program (or Cluster)**

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Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?  Yes  No

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT  
JENA, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended December 31, 2021**

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**Section II Financial Statement Findings**

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**2021-1 Budget Variance (Compliance)**

**Condition:** The entity had an unfavorable expenditure variance of \$258,644 or 34.7% for the year ended December 31, 2021 because on-behalf payments made by the State of Louisiana and the LaSalle Parish Police Jury were under budgeted.

**Criteria:** The Budget Act requires that budgets be amended when the variance exceeds 5%.

**Cause of Condition:** Under budgeting expenditures.

**Effect of Condition:** Violating the Budget Act.

**Recommendation:** The entity should amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

**Management's Response:** The entity will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable.

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT  
JENA, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION  
FOR CURRENT YEAR AUDIT FINDINGS**

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**FINDINGS:**

**2021-1 Budget Variance**

***Finding:*** The entity had an unfavorable expenditure variance of \$258,644 or 34.7% for the year ended December 31, 2021 because on-behalf payments made by the State of Louisiana and the LaSalle Parish Police Jury were under budgeted. The Budget Act requires that budgets be amended when the variance exceeds 5%.

***Corrective Action:*** The entity will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

***Contact Person:*** Reed Walters, 28<sup>th</sup> Judicial District Attorney

***Anticipated Completion Date:*** December 31, 2022

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT  
JENA, LOUISIANA**

**MANAGEMENT'S SUMMARY  
OF PRIOR YEAR FINDINGS**

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the District Attorney of the Twenty-Eighth Judicial District, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial review for the year ended December 31, 2020.

**PRIOR YEAR FINDINGS**

**2020-1 Budget Variance (Unresolved)**

**Condition:** The entity had an unfavorable expenditure variance of \$141,535 or 20.1% for the year ended December 31, 2020 because on-behalf payments made by the State of Louisiana and the LaSalle Parish Police Jury were under budgeted.

**Criteria:** The Budget Act requires that budgets be amended when the variance exceeds 5%.

**Cause of Condition:** Under budgeting expenditures.

**Effect of Condition:** Violating the Budget Act.

**Recommendation:** The entity should amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

**Management's Response:** The entity will amend its budget when there is an unfavorable variance in revenue or expenditures of more than 5%.

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### **AGREED-UPON PROCEDURES REPORT**

**Office of the District Attorney of the 28<sup>th</sup> Judicial District, LaSalle Parish, La.**

**Independent Accountant's Report**

**On Applying Agreed-Upon Procedures**

**For the Period of January 1, 2021-December 31, 2021**

Office of the District Attorney of the 28<sup>th</sup> Judicial District  
LaSalle Parish, Louisiana

To the District Attorney and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by District Attorney (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period January 1, 2021 through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

## ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
  - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Observation: We reviewed the Policies and Procedures and found all of the items listed above were addressed.**

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

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Observation: Not applicable; the entity does not keep minutes.**

## ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Observations: We obtained a listing of bank accounts on bank confirmations and management's representation that the listings were complete.**

- a) **Bank reconciliations are prepared for all bank accounts that have activity.**
- b) **Bank reconciliations are prepared by an outside accounting firm and reviewed by management.**
- c) **Inquiry found the entity reviews old outstanding checks on a regular basis.**

*Collections (excluding electronic funds transfers)*

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

**Observation: We obtained the listing (District Attorney's Office) and management's representation that the listing is complete.**

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Observation:**

- a) **The entity does not accept cash.**
  - b) **The entity does not accept cash.**
  - c) **Each employee responsible for collections is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.**
  - d) **The employee(s) responsible for reconciling collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collections, unless another employee/official verifies the reconciliation.**
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**Observation: The entity does not accept cash and all purchases are approved by an individual not initiating the purchase.**

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

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Observation: We randomly selected two deposit dates and observed:**

- a) **The entity does not have receipt books as they do not accept cash.**
- b) **The entity does not have receipt books as they do not accept cash.**
- c) **We traced the deposit slip to the actual deposit per the bank statement.**
- d) **Inquiry found that the deposits are not made within one business day of receipt of the collection.**
- e) **The deposits per the bank statement are reconciled monthly with the general ledger.**

**Exception: Deposits are not made within one business day of receipts of the collection.**

**Management's response: Entity does not accept cash and deposit are made as soon after collections as practical.**

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

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

**Observation: We obtained a listing of locations, the office, that process payments for the fiscal period and management's representation that the listing is complete.**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Observation: We selected a random sample of expenditures and found the following:**

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

- b) **At least two employees are involved in processing and approving payments to vendors.**
- c) **The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.**
- d) **Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.**

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

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

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Observation: We selected a random sample of 31 expenditures from the various accounts observed the following:**

- a) **The disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.**
- b) **The disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.**

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

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

**Observation: Management provided a listing of all credit cards and management's representation that the list is complete.**

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Observation:** We obtained the December statement of the Visa card and fleet Fuel card (the only 2 cards) and observed:

- a) There was evidence that the monthly statements or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b) There were finance charges on the Visa statement.

**Exception:** There were finance charges on the card in the amount of \$71.05.

**Management's response:** Finance charges are kept to a minimum.

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

**Observation:** We randomly selected the month of December and found the statement had 2 transactions. We observed:

The statement identified precisely what was purchased, there was no documentation as to the business use and there were no meals on the statement.

**Exception:** The statement did not document the business purpose of the expenditure.

**Management's response:** Future statements will have documentation of the business purpose of the expenditure.

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

**Observation: There were no travel reimbursements for the year.**

### ***Contracts***

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

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Observation: The District had no contracts during the year and one auto lease and we observe the following:**

- a) **The lease was not subject to Louisiana Bid Law.**
- b) **The lease was approved by the district attorney.**
- c) **The lease was not amended.**
- d) **We randomly selected the December payment and agreed it with the lease terms.**

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

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

**Observation: We randomly selected 5 employees and the District Attorney's representation that all salaries are approved by him.**

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

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

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Observation: We randomly selected August 22, 2021 pay period and observed:**

- a) **The selected employees did not have daily attendance records. All employees are salaried.**
- b) **Supervisor reviews leave taken by 2 employees taking leave during this period.**
- c) **Leave taken during this period is not reflected in entity's cumulative leave records.**
- d) **Salaries are approved by the District Attorney and payroll is prepared by the entity's outside fee accountant.**

**Exception: The entity does not maintain cumulative leave records.**

**Management's response: The entity is small and supervisor is aware of leave taken by salaried employees.**

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

**Observation: Management represented there were no terminations during the year.**

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Observation: Management represented 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.**

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Observation: We random selected 5 employees/officials and observed:**

- a) **Observed the documentation that demonstrates each employee/official completed one hour of ethics training during the fiscal period.**
- b) **There were no changes to the entity's ethics policy during the year.**

### ***Debt Service***

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

**Observation: The entity did not have any outstanding debt.**

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Observation: The entity did not have any outstanding debt.**

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Observation: Fraud interviews of employees and management found no misappropriation of public funds during the year.**

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Observation: The entity has the notice posted on its premises**

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

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25. Perform the following procedures

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

testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

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

**Observation: We performed the following procedures and discussed the following results with management:**

- a) **The entity pays a vendor to periodically back up the office's systems and provide testing that the system is operating correctly.**
- b) **The entity provided information that its vendor periodically backs up the system and that the system is operating correctly.**
- c) **The entity provided documentation of antivirus software in use in its office.**

### ***Sexual Harassment***

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

**Observation: We randomly selected 5 employees and found that all 5 had documentation of training.**

- 27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

**Observation: The entity has posted its sexual harassment policy and complaint procedure on its premises.**

- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Observation: The entity did not have an annual sexual harassment report for the current fiscal period.**

**Exception: No annual sexual harassment report completed.**

**Management's Response: The entity will complete an annual sexual harassment report on or before February 1 that includes the applicable requirements of R.S. 42:344.**

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

*The Vercher Group*

Jena, Louisiana

May 6, 2022