

**DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2011
With Supplemental Information Schedules**

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

Release Date JUN 13 2012

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana

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DISTRICT ATTORNEY OF THE
 THIRTY-SEVENTH JUDICIAL DISTRICT
 Parish of Caldwell, Louisiana
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Independent Auditor's Report

HONORABLE W. MARK MCKEE
DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of the District Attorney of the Thirty-Seventh Judicial District, a component unit of the Caldwell Parish Police Jury, as of December 31, 2011, and for the year then ended, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Attorney of the Thirty-Seventh Judicial District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

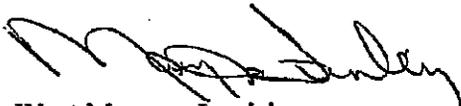
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the District Attorney of the Thirty-Seventh Judicial District as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America .

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9, and the budgetary comparison information on pages 30 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Caldwell Parish, Louisiana
Independent Auditor's Report,
December 31, 2011

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney of the Thirty-Seventh Judicial District's office basic financial statements as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the District Attorney of the Thirty-Seventh Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated May 28, 2012, on the District Attorney of the Thirty-Seventh Judicial District's compliance with laws and regulations, and my consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



West Monroe, Louisiana
May 28, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana
Management's Discussion and Analysis
December 31, 2011

As management of the District Attorney of the Thirty-Seventh Judicial District, I offer readers of the District Attorney of the Thirty-Seventh Judicial District's financial statements this narrative overview and analysis of the financial activities of the District Attorney of the Thirty-Seventh Judicial District for the fiscal year ended December 31, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the District attorney's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district attorney's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. 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 in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District Attorney of the Thirty-Seventh Judicial District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the District Attorney of the Thirty-Seventh Judicial District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District Attorney of the Thirty-Seventh Judicial District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Attorney of the Thirty-Seventh Judicial District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Attorney of the Thirty-Seventh Judicial District can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District Attorney of the Thirty-Seventh Judicial District adopts an annual appropriated budget for the general fund and the special revenue funds. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the District Attorney of the Thirty-Seventh Judicial District's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District Attorney of the Thirty-Seventh Judicial District's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the District Attorney of the Thirty-Seventh Judicial District exceeded liabilities by \$106,015. Approximately 3% of the District Attorney of the Thirty-Seventh Judicial District's net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

An additional portion of the District Attorney of the Thirty-Seventh Judicial District's net assets represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the District Attorney of the Thirty-Seventh Judicial District to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net assets.

STATEMENT OF NET ASSETS
Governmental Funds

	2011	2010
ASSETS		
Cash and cash equivalents	\$91,368	\$99,370
Receivables	29,857	16,858
Capital assets (net of accumulated depreciation)	2,805	3,522
TOTAL ASSETS	\$124,030	\$119,750
LIABILITIES		
Accounts payable	\$8,871	\$7,295
Payroll withholdings payable	6,644	6,178
Deferred revenue	2,500	2,500
TOTAL LIABILITIES	18,015	15,973
NET ASSETS		
Invested in capital assets, net of related debt	2,805	3,522
Unrestricted	103,210	100,255
TOTAL NET ASSETS	\$106,015	\$103,777

STATEMENT OF ACTIVITIES

	2011	2010
Judicial:		
Personal services	\$275,748	\$260,586
Operating services	54,408	72,400
Materials and supplies	7,293	6,039
Travel	15,166	2,784
Intergovernmental	7,331	4,045
Depreciation expense	717	1,030
Total Program Expenses	360,663	346,884
Program revenues:		
Charges for services	127,710	147,708
Operating grants and contributions	234,984	191,578
Total program revenues	362,694	339,286
Net Program Expenses	2,031	(7,598)
General revenues		
Use of money and property	207	279
Other		990
Change in Net Assets	2,238	(6,329)
Net Assets - Beginning of year	103,777	110,106
Net Assets - End of year	\$106,015	\$103,777

Financial Analysis of the Government's Funds

As noted earlier, the District Attorney of the Thirty-Seventh Judicial District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable

resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, combined governmental fund balances of \$103,210 showed an increase of \$2,955 over December 31, 2010. The General Fund's portion of the unreserved, undesignated fund balance of \$52,247 shows an increase (of approximately \$16,274) from the prior year amount.

General Fund Budgetary Highlights

There were no budget amendments for the year.

Capital Asset and Debt Administration

Capital assets. The District Attorney of the Thirty-Seventh Judicial District's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$2,805 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases or decreases in capital assets for the year.

Long-term debt. The District Attorney of the Thirty-Seventh Judicial District has no debt outstanding.

Requests for Information

This financial report is designed to provide a general overview of the District Attorney of the Thirty-Seventh Judicial District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Thirty-Seventh Judicial District, P.O. Box 839, Columbia, LA 71418.

BASIC FINANCIAL STATEMENTS

Statement A

**District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana
Governmental Activities
Statement of Net Assets
December 31, 2011**

Assets	
Cash and cash equivalents	\$91,368
Receivables	29,857
Capital assets (net)	<u>2,805</u>
Total Assets	<u>\$124,030</u>
Liabilities	
Accounts payable	\$8,871
Payroll withholding payable	6,644
Deferred revenue - state funds	<u>2,500</u>
Total Liabilities	<u>18,015</u>
Net Assets	
Invested in capital assets, net of related debt	2,805
Unrestricted	<u>103,210</u>
Total Net Assets	<u><u>\$106,015</u></u>

See accompanying notes to basic financial statements.

District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2011

EXPENSES

Judicial:

Personal services	\$275,748
Operating services	54,408
Materials and supplies	7,293
Travel	15,166
Intergovernmental	7,331
Depreciation expense	717
Total Program Expenses	<u>360,663</u>

REVENUES

Program revenues:

Charges for services	127,710
Operating grants and contributions	<u>234,984</u>
Total program revenues	<u>362,694</u>
Net Program Expenses	2,031

General revenues -

Use of money and property	<u>207</u>
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Change in Net Assets

2,238

Net Assets - Beginning of year

103,777

Net Assets - End of year

\$106,015

The accompanying notes are an integral part of this statement.

District Attorney of the Thirty-Seventh Judicial District
 Parish of Caldwell, Louisiana
 Governmental Funds
 Balance Sheet
 December 31, 2011

	General	IV-D	Worthless Check Division	Total Governmental Funds
Assets				
Cash and equivalents	\$50,485	\$8,671	\$32,212	\$91,368
Receivables	17,217	12,640		29,857
Due from other funds			5,473	5,473
Total Assets	<u>\$67,702</u>	<u>\$21,311</u>	<u>\$37,685</u>	<u>\$126,698</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$6,311	\$2,551	\$9	\$8,871
Payroll withholdings payable	6,644			6,644
Deferred revenue-State funds	2,500			2,500
Due to other funds		5,473		5,473
Total Liabilities	<u>15,455</u>	<u>8,024</u>	<u>9</u>	<u>23,488</u>
Fund Equity - fund balances:				
Restricted - other general government		13,287		13,287
Unassigned	52,247		37,676	89,923
Total Fund Balances	<u>52,247</u>	<u>13,287</u>	<u>37,676</u>	<u>103,210</u>
Total Liabilities and Fund Balances	<u>\$67,702</u>	<u>\$21,311</u>	<u>\$37,685</u>	<u>\$126,698</u>

See accompanying notes to basic financial statements.

District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended December 31, 2011

Total Fund Balances at December 31, 2011 - Governmental Funds (Statement C)		<u>\$103,210</u>
Cost of capital assets at December 31, 2011	\$64,139	
Less: Accumulated depreciation as of December 31, 2011	<u>(61,334)</u>	<u>2,805</u>
Net Assets at December 31, 2011 (Statement A)		<u>\$106,015</u>

District Attorney of the Thirty-Seventh Judicial District
 Parish of Caldwell, Louisiana
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended December 31, 2011

	<u>General</u>	<u>IV-D</u>	<u>Worthless Check Division</u>	<u>Total Governmental Funds</u>
REVENUES				
Intergovernmental revenues:				
Federal funds		\$166,234		\$166,234
State funds -				
Department of Social Services	\$30,000			30,000
Local	38,750			38,750
Fees, charges, and commissions for services			\$35,954	35,954
Commissions on fines and forfeitures	91,756			91,756
Use of money and property		59	148	207
Total revenues	<u>160,506</u>	<u>166,293</u>	<u>36,102</u>	<u>362,901</u>
EXPENDITURES				
Current:				
Judicial:				
Personal services and related benefits	99,515	149,570	26,663	275,748
Operating services	19,571	12,020	22,817	54,408
Materials and supplies	2,980	4,313		7,293
Travel and other charges	14,835	331		15,166
Intergovernmental	7,331			7,331
Total expenditures	<u>144,232</u>	<u>166,234</u>	<u>49,480</u>	<u>359,946</u>
Excess (deficiency) of revenues over expenditures	<u>16,274</u>	<u>59</u>	<u>(13,378)</u>	<u>2,955</u>
FUND BALANCES - BEGINNING	<u>35,973</u>	<u>13,228</u>	<u>51,054</u>	<u>100,255</u>
FUND BALANCES - ENDING	<u>\$52,247</u>	<u>\$13,287</u>	<u>\$37,676</u>	<u>\$103,210</u>

See accompanying notes to basic financial statements.

District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2011

Total net change in fund balances - governmental funds (Statement D) \$2,955

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.

Change in net assets of governmental activities (Statement B)

(717)

\$2,238

**District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana**

Statement of Fiduciary Net Assets - Agency Fund

December 31, 2011

ASSETS

Cash and cash equivalents

**WORTHLESS
CHECK
PAYMENTS**

\$52,998

LIABILITIES

Unsettled deposits held for others

\$52,998

District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the district attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The district attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of Caldwell, Louisiana.

The accompanying financial statements of the District Attorney of the Thirty-Seventh Judicial District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Caldwell Parish Police Jury is the financial reporting entity for Caldwell Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the district attorney to impose its will on that organization and/or

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the district attorney.
2. Organizations for which the district attorney does not appoint a voting majority but are fiscally dependent on the district attorney.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the district attorney's office is located and provides partial funding for equipment, furniture and supplies of the district attorney's office, the district attorney was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Caldwell Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The district attorney's basic financial statements include both government-wide (reporting the district attorney as a whole) and fund financial statements (reporting the district attorney's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district attorney are classified as governmental.

The district attorney reports the following major governmental funds:

The General Fund is the district attorney's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Title IV-D Fund 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 fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
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Notes to the Financial Statements (Continued)

The Worthless Check Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the district attorneys' office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used only 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.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district attorney.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The district attorney first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). 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 (Statement B) are derived directly from parties outside the district attorney's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district attorney's general revenues.

Allocation of Indirect Expenses - The district attorney reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district attorney. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The district attorney's current operations require the use of only governmental funds. The governmental fund types used by the district attorney is described as follows:

Governmental Fund Type

**General Fund (District
Attorneys' Expense)**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal and state grants and fees for services. Those revenues are legally restricted, either by grant agreement or state law, to expenditures for specified purposes such as family and child support programs, and specified expenses of the district attorney's office.

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

Fiduciary Fund Type - Agency Fund

The agency fund is used as a depository for partial payments on the collection of worthless checks. Disbursements are made to merchants and to the sheriff's office when full amount is collected. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

The governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. 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 reports 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds 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

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

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:

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collector.

Fees from the collection of worthless checks are recorded in the year they are collected. Grants are recorded when the district attorney is entitled to the funds. Interest income on time deposits is recorded when the time deposits have matured and the interest is available. Substantially all other revenues are recorded when received.

Based on the above criteria, commissions on fines and bond forfeitures, and grants have been treated as susceptible to accrual.

Expenditures

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

E. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the district attorney, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

F. VACATION AND SICK LEAVE

All employees are entitled to one to three weeks of non-cumulative vacation leave and ten to fifteen days of non-cumulative sick leave each year. Unused vacation and sick leave cannot be carried forward to the succeeding year. At December 31, 2011, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

G. RISK MANAGEMENT

The district attorney is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the district attorney maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2011.

H. CASH AND CASH EQUIVALENTS

Under state law, the district attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2011, the district attorney has cash and cash equivalents (book balances) totaling \$144,366 follows:

Demand deposits	\$128,293
Petty cash	30
Time deposits	<u>16,043</u>
Total	<u>\$144,366</u>

These deposits are stated at cost, which approximates market. 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. Deposit balances (bank balances) at December 31, 2011, total \$158,162 and are fully secured by federal deposit insurance.

DISTRICT ATTORNEY OF THE
 THIRTY-SEVENTH JUDICIAL DISTRICT
 Parish of Caldwell, Louisiana
 Notes to the Financial Statements (Continued)

2. RECEIVABLES

The following is a summary of receivables at December 31, 2011:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Intergovernmental revenues -			
State - Department of Social Services		\$12,640	\$12,640
Commissions on fines and forfeitures	<u>\$17,217</u>		<u>17,217</u>
Total	<u>\$17,217</u>	<u>\$12,640</u>	<u>\$29,857</u>

3. DUE TO/FROM OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2011.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Title IV-D		\$5,473
Worthless Check	<u>\$5,473</u>	
Total	<u>\$5,473</u>	<u>\$5,473</u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in office equipment follows:

Balance, January 1, 2011	\$64,139
Additions	NONE
Deletions	<u>NONE</u>
Balance at December 31, 2011	64,139
Less accumulated depreciation	<u>(61,334)</u>
Net capital assets	<u>\$2,805</u>

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION PLAN

The district attorney and assistant district attorneys of the Thirty-Seventh Judicial District are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

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

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

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

Plan members are required by state statute to contribute 7.0 per cent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The contribution rate of 9.75% is currently required by the district attorney. Contributions to the system include .2 per cent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

for the prior fiscal year. The district attorney made contributions of \$8,609 to the system for the year ending December 31, 2011.

Substantially all other employees of the Thirty-Seventh Judicial district are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district attorney are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employees' average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Thirty-Seventh Judicial District is required to contribute at an actuarially determined rate. The current rate is 15.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Thirty-Seventh Judicial District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Thirty-Seventh Judicial Districts' contributions to the System under Plan A for the years ending December 31, 2011, 2010, and 2009, were \$19,959, \$16,857, and \$14,507, respectively, equal to the required contributions for each year.

DISTRICT ATTORNEY OF THE
 THIRTY-SEVENTH JUDICIAL DISTRICT
 Parish of Caldwell, Louisiana
 Notes to the Financial Statements (Continued)

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balance due to others follows:

Balance at January 1, 2011	\$54,984
Additions	31,366
Reductions	<u>(33,352)</u>
Balance at December 31, 2011	<u>\$52,998</u>

7. LITIGATION AND CLAIMS

At December 31, 2011, the district attorney is not involved in any litigation, nor is he aware of any unasserted claims.

**8. EXPENDITURES OF THE DISTRICT ATTORNEY
 NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures of the district attorney paid out of the funds of the criminal court, the parish police jury, or directly by the state.

9. FEDERAL FINANCIAL ASSISTANCE

During the year ended December 31, 2011, the District Attorney of the Thirty-Seventh Judicial District participated in the following federal financial assistance program:

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	PASS- THROUGH GRANTORS' NUMBER	CFDA NUMBER	EXPENDITURES YEAR ENDED <u>December 31, 2011</u>
UNITED STATES DEPARTMENT HEALTH AND HUMAN SERVICES			
Passed through Louisiana Department of Social Services - Child Enforcement Title IV-D	501587	13.783	<u>\$166,234</u>

Required Supplemental Information (Part II)

District Attorney for the 37th Judicial District
 Parish of Caldwell, Louisiana
 Budgetary Comparison Schedule - General Fund
 For the Year Ended December 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental revenues:			
State funds - Department of Social Services	\$30,000	\$30,000	
Local funds	30,000	38,750	\$8,750
Commissions on fines and forfeitures	78,000	91,756	13,756
Other revenues	1,000		(1,000)
Total revenues	<u>139,000</u>	<u>160,506</u>	<u>21,506</u>
Expenditures			
Current:			
Judicial:			
Personal services and related benefits	100,000	99,515	485
Operating services	20,000	19,571	429
Materials and supplies	3,000	2,980	20
Travel and other charges	10,000	14,835	(4,835)
Capital outlay	500		500
Intergovernmental	5,500	7,331	(1,831)
Total expenditures	<u>139,000</u>	<u>144,232</u>	<u>(5,232)</u>
Excess of Revenues over Expenditures	<u>NONE</u>	<u>16,274</u>	<u>16,274</u>
Fund Balance - Beginning	<u>30,000</u>	<u>35,973</u>	<u>5,973</u>
Fund Balance - Ending	<u>\$30,000</u>	<u>\$52,247</u>	<u>\$22,247</u>

(Continued)

District Attorney for the 37th Judicial District
Parish of Caldwell, Louisiana

Budgetary Comparison Schedule
IV-D and Worthless Check Funds
For the Year Ended December 31, 2011

	IV - D			Worthless Checks		
	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues						
Intergovernmental revenues -						
Federal	\$161,200	\$166,234	\$5,034			
Fees, charges, and commissions for services				\$35,000	\$35,954	\$954
Use of money and property	100	59	(41)	200	148	(52)
Total revenues	<u>161,300</u>	<u>166,293</u>	<u>4,993</u>	<u>35,200</u>	<u>36,102</u>	<u>902</u>
Expenditures						
Current:						
Judicial:						
Personal services and related benefits	149,500	149,570	(70)	26,000	26,663	(663)
Operating services	7,000	12,020	(5,020)	22,000	22,817	(817)
Materials and supplies	5,000	4,313	687			
Travel and other charges	200	331	(131)			
Total expenditures	<u>161,700</u>	<u>166,234</u>	<u>(4,534)</u>	<u>48,000</u>	<u>49,480</u>	<u>(1,480)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(400)</u>	<u>59</u>	<u>(459)</u>	<u>(12,800)</u>	<u>(13,378)</u>	<u>578</u>
Fund Balance - Beginning	<u>3,000</u>	<u>13,228</u>	<u>10,228</u>	<u>34,000</u>	<u>51,054</u>	<u>17,054</u>
Fund Balance - Ending	<u>\$2,600</u>	<u>\$13,287</u>	<u>\$10,687</u>	<u>\$21,200</u>	<u>\$37,676</u>	<u>\$16,476</u>

(Concluded)

**District Attorney for the 37th Judicial District
Parish of Caldwell, Louisiana**

**Required Supplementary Information
Budgetary Comparison Schedules for Major Funds
For the Year Ended December 31, 2011**

The proposed budget, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district attorney and amended during the year, as necessary. The budget is established and controlled by the district attorney at the object level of expenditure. The district attorney does not utilize encumbrance accounting. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the district attorney.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART III**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance with laws, regulations, contracts and internal control is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance Government Auditing Standards**

HONORABLE W. MARK MCKEE
DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana

I have audited the basic financial statements of the District Attorney of the Thirty-Seventh Judicial District, a component unit of the Caldwell Parish Police Jury, as of and for the year ended December 31, 2011 and have issued my report thereon dated May 28, 2012. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered District Attorney of the Thirty-Seventh Judicial District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Thirty-Seventh Judicial District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Thirty-Seventh Judicial District's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

DISTRICT ATTORNEY OF THE THIRTY-SEVENTH
JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2011

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Attorney of the Thirty-Seventh Judicial District's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the District Attorney of the Thirty-Seventh Judicial District, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
May 28, 2012

DISTRICT ATTORNEY OF THE THIRTY-SEVENTH
JUDICIAL DISTRICT
Parish of Caldwell, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of District Attorney of the Thirty-Seventh Judicial District.
2. No instances of noncompliance material to the financial statements of District Attorney of the Thirty-Seventh Judicial District were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**DISTRICT ATTORNEY OF THE THIRTY-SEVENTH
JUDICIAL DISTRICT
Parish of Caldwell, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2011**

There were no findings reported in the audit report for the year ended December 31, 2010.