

**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, 2020
With Supplemental Information Schedules**

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, 2020
With Supplemental Information Schedules

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Thirty-Seventh Judicial District, a component unit of the Caldwell Parish Police Jury, as of December 31, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District Attorney of the Thirty-Seventh Judicial District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Independent Auditor's Report,
December 31, 2020

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District Attorney of the Thirty-Seventh Judicial District as of December 31, 2020, 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.

Emphasis of a Matter

As described in Note 8 to the financial statements, operations of the District Attorney of the Thirty-Seventh Judicial District are impacted by the pandemic caused by the Coronavirus/COVID-19. The District Attorney of the Thirty-Seventh Judicial District is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions as listed in the table of contents, 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' 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.

Other Information

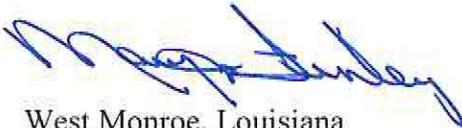
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District Attorney of the Thirty-Seventh Judicial District's basic financial statements. The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head, Justice System Funding Schedules for Collecting/Disbursing, and Justice System Funding Schedules for Receiving Entities, as listed in the Table of Contents, as Supplementary Information are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by Act 706 of the Louisiana 2014 Legislative Session and Act 87 of the Louisiana 2020 Legislative Session.

DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Independent Auditor's Report,
December 31, 2020

These schedules are the responsibility of management and were derived from and relates 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 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 my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head, Justice System Funding Schedules for Collecting/Disbursing, and Justice System Funding Schedules for Receiving Entities are fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 11, 2021, on my consideration of the District Attorney of the Thirty-Seventh Judicial District's internal control over financial reporting and on my 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 my 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Attorney of the Thirty-Seventh Judicial District's internal control over financial reporting and compliance.



West Monroe, Louisiana
June 11, 2021

REQUIRED SUPPLEMENTARY INFORMATION
PART I

District Attorney of the Thirty-Seventh Judicial District
Parish of Caldwell, Louisiana
Management's Discussion and Analysis
December 31, 2020

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, 2020. 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 Position 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 position* 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 position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. 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.

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 position may serve over time as a useful indicator of a government’s financial position. At the close of the most recent fiscal year, liabilities of the District Attorney of the Thirty-Seventh Judicial District exceeded assets by \$26,978. The assets are not available for future spending.

An additional portion of the District Attorney of the Thirty-Seventh Judicial District’s net position represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net position 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 position.

STATEMENT OF NET POSITION
Governmental Funds

	2020	2019
ASSETS		
Cash and cash equivalents	\$27,932	\$28,492
Receivables	29,349	16,126
Capital assets (net of accumulated depreciation)	967	1,144
TOTAL ASSETS	58,248	45,762
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	101,537	86,778

LIABILITIES		
Accounts payable	\$11,186	\$5,449
Payroll withholdings payable	3,458	1,028
Net pension liability	<u>127,333</u>	<u>109,601</u>
TOTAL LIABILITIES	<u>141,977</u>	<u>116,078</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	44,786	30,414
NET POSITION		
Invested in capital assets, net of related debt	967	1,144
Unrestricted	<u>(27,945)</u>	<u>(15,096)</u>
TOTAL NET POSITION	<u>(\$26,978)</u>	<u>(\$13,952)</u>

STATEMENT OF ACTIVITIES

Judicial:	<u>2020</u>	<u>2019</u>
Personal services	\$337,158	\$415,094
Operating services	121,548	59,445
Materials and supplies	13,709	10,212
Travel	2,045	9,728
Intergovernmental	6,539	32,452
Depreciation expense	177	462
Total Program Expenses	<u>481,176</u>	<u>527,393</u>
Program revenues:		
Charges for services - fees, charges and commissions	6,612	162,201
Operating grants and contributions	<u>444,508</u>	<u>326,357</u>
Total program revenues	<u>451,120</u>	<u>488,558</u>
Net Program Expenses	<u>(30,056)</u>	<u>(38,835)</u>
General revenues		
Other revenues	<u>16,623</u>	<u>19,656</u>
Change in Net Position	<u>(13,433)</u>	<u>(19,179)</u>
Net Position - Beginning of year	<u>(13,545)</u>	<u>5,227</u>
Net Position - End of year	<u>(\$26,978)</u>	<u>(\$13,952)</u>

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, 2020, combined governmental fund balances of \$42,637 showed an increase of \$4,496 over December 31, 2019. The General Fund's portion of the unreserved, undesignated fund balance of \$41,992 shows an increase (of approximately \$16,343) from the prior year amount.

Budgetary Highlights

There was no budget amendment for the General Fund.

There was no budget amendment for the IV-D Fund.

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, 2020, amounts to \$967 (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 debt outstanding of \$127,333 which consists of net pension liability.

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

District Attorney of the Thirty-Seventh Judicial District
 Parish of Caldwell, Louisiana
 Governmental Activities
 Statement of Net Position
 December 31, 2020

Assets	
Cash and cash equivalents	\$27,932
Receivables	29,349
Capital assets (net)	<u>967</u>
Total Assets	<u>58,248</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>101,537</u>
Liabilities	
Accounts payable	11,186
Payroll withholding payable	3,458
Net pension liability	<u>127,333</u>
Total Liabilities	141,977
DEFERRED INFLOWS OF RESOURCES	
Pension related	44,786
NET POSITION	
Invested in capital assets, net of related debt	967
Unrestricted	<u>(27,945)</u>
Total Net Position	<u><u>(\$26,978)</u></u>

See independent auditor's report and the related notes to the financial statements.

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

Statement of Activities
December 31, 2020

EXPENSES

Judicial:

Personal services	\$337,158
Operating services	121,548
Materials and supplies	13,709
Travel	2,045
Intergovernmental	6,539
Depreciation expense	177
Total Program Expenses	481,176

REVENUES

Program revenues:

Charges for services - fees, charges and commissions	6,612
Operating grants and contributions	444,508
Total program revenues	451,120
Net Program Expenses	(30,056)

General revenues -

Other revenues	16,623
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Change in Net Position	(13,433)
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Net Position - Beginning of year	(13,545)
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Net Position - End of year	(\$26,978)
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See independent auditor's report and the related notes to the financial statements.

District Attorney of the Thirty-Seventh Judicial District
 Parish of Caldwell, Louisiana
 Governmental Funds
 Balance Sheet
 December 31, 2020

	Major Funds		Non Major Fund Worthless Check Division	Total Governmental Funds
	General Fund	IV-D Fund		
Assets				
Cash and equivalents	\$27,287	\$530	\$115	\$27,932
Receivables	6,332	23,017		29,349
Due from other funds	12,768			12,768
Total Assets	<u>\$46,387</u>	<u>\$23,547</u>	<u>\$115</u>	<u>\$70,049</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$937	\$10,249		\$11,186
Payroll withholdings payable	3,458			3,458
Due to other funds		12,768		12,768
Total Liabilities	4,395	23,017	NONE	27,412
Fund balances:				
Restricted - other general government		530		530
Assigned			\$115	115
Unassigned	41,992			41,992
Total Fund Balances	<u>41,992</u>	<u>530</u>	<u>115</u>	<u>42,637</u>
Total Liabilities and Fund Balances	<u>\$46,387</u>	<u>\$23,547</u>	<u>\$115</u>	<u>\$70,049</u>

See independent auditor's report and the related notes to the 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 Position

For the Year Ended December 31, 2020

Total Fund Balances at December 31, 2020 - Governmental Funds (Statement C)		<u>\$42,637</u>
Deferred outflows of resources		101,537
Cost of capital assets at December 31, 2020	\$70,164	
Less: Accumulated depreciation as of December 31, 2020	<u>(69,197)</u>	967
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(127,333)
Deferred inflows of resources		<u>(44,786)</u>
Net Position at December 31, 2020 (Statement A)		<u><u>(\$26,978)</u></u>

See independent auditor's report and the related notes to the financial statements.

Statement D

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, 2020

	Major Funds		Non Major Fund	Total Governmental Funds
	<u>General</u>	<u>IV-D</u>	Worthless Check Division	
REVENUES				
Intergovernmental revenues:				
Federal funds		\$141,216		\$141,216
State funds:				
Department of Social Services	\$30,000			30,000
Other state funds	149,077			149,077
Local funds	6,000			6,000
Fees, charges, and commissions for services			\$6,612	6,612
Commissions on fines and forfeitures	<u>118,215</u>			<u>118,215</u>
Total revenues	<u>303,292</u>	<u>141,216</u>	<u>6,612</u>	<u>451,120</u>
EXPENDITURES				
Current:				
Judicial:				
Personal services and related benefits	218,078	80,255	4,450	302,783
Operating services	51,082	70,466		121,548
Materials and supplies	13,709			13,709
Travel and other charges	2,045			2,045
Intergovernmental	<u>2,035</u>		<u>4,504</u>	<u>6,539</u>
Total expenditures	<u>286,949</u>	<u>150,721</u>	<u>8,954</u>	<u>446,624</u>
Excess (deficiency) of revenues over expenditures	<u>16,343</u>	<u>(9,505)</u>	<u>(2,342)</u>	<u>4,496</u>
FUND BALANCES - BEGINNING	<u>25,649</u>	<u>10,035</u>	<u>2,457</u>	<u>38,141</u>
FUND BALANCES - ENDING	<u>\$41,992</u>	<u>\$530</u>	<u>\$115</u>	<u>\$42,637</u>

See independent auditor's report and the related notes to the 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, 2020

Total net change in fund balances - governmental funds (Statement D)	\$4,496
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.	(177)
Non-employer contributions to cost-sharing pension plan	16,623
Pension expense	<u>(34,375)</u>
Change in net position of governmental activities (Statement B)	<u>(\$13,433)</u>

See independent auditor's report and the related notes to the financial statements.

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, 2020

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
Parish of Caldwell, Louisiana
Notes to the Financial Statements (Continued)

The Statement of Net Position (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 Position, 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 position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. 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.

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.

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

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.

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.

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

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 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.

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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

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, 2020, there are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure.

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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, 2020.

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, 2020, the district attorney has cash and cash equivalents (book balances) totaling \$27,932 follows:

Demand deposits	\$27,902
Petty cash	<u>30</u>
Total	<u>\$27,932</u>

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, the 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the judicial expense that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the district attorney's name. The district attorney does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at December 31, 2020 is \$27,979 and is fully secured by FDIC insurance.

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

I. PENSION PLANS

The District Attorney's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plans as described in Note 5. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

J. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

DISTRICT ATTORNEY OF THE
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Notes to the Financial Statements (Continued)

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the district attorney's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the district attorney's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$41,992. If applicable, the district attorney would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The district attorney considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

K. INTERFUND TRANSACTIONS

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

L. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were

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Notes to the Financial Statements (Continued)

eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

N. 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.

O. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. RECEIVABLES

The following is a summary of receivables at December 31, 2020:

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 Notes to the Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Intergovernmental revenues -			
State - Department of Social Services		\$23,017	\$23,017
Commissions on fines and forfeitures	<u>\$6,332</u>		<u>6,332</u>
Total	<u><u>\$6,332</u></u>	<u><u>\$23,017</u></u>	<u><u>\$29,349</u></u>

3. DUE TO/FROM OTHER FUNDS

The following presents interfund balances due from and to other funds at December 31, 2020.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	<u>\$12,768</u>	
Title IV-D		<u>\$12,768</u>
Total	<u><u>\$12,768</u></u>	<u><u>\$12,768</u></u>

4. CHANGES IN CAPITAL ASSETS

A summary of changes in office equipment follows:

Balance, January 1, 2020	\$70,164
Additions	NONE
Deletions	<u>NONE</u>
Balance at December 31, 2020	<u>70,164</u>
Less accumulated depreciation	<u>(69,197)</u>
Net capital assets	<u><u>\$967</u></u>

Depreciation expense of \$177 was charged to the judicial function.

5. PENSION PLAN

Retirement Systems

Parochial Employees' Retirement System of Louisiana (System)

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Substantially all employees of the District Attorney 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. This 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.

Summary of Significant Accounting Policies.

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It 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. 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.

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2019.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

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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.

Plan Description.

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. Title 11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and social Security criteria have up to 90 days from the date of hire to elect to participate.

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

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

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's website, www.lla.state.la.us.

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 result may differ from estimated amounts.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2019 was 11.50% for Plan A.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ending December 31, 2020 and 2019 the District Attorney reported an liability of \$450 and \$43,789, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Attorneys' proportion of the net pension liability was based on a projection of the District Attorneys' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers', actuarially determined. At December 31, 2019, the District Attorneys' proportion was .0096 percent, which was an increase of .0003 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020 and 2019, the District Attorney recognized pension expense of \$4,575 and \$6,975, respectively. At December 31, 2019, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$4,031
Changes in assumptions	\$6,289	
Net differences between projected and actual earnings on pension plan		\$16,878
Changes in employers proportion of beginning NPL		1,984
Differences between employer and proportionate share of contributions	83	8
Subsequent measurement contributions	4,575	
Total	\$10,947	\$22,901

\$4,575 reported as deferred outflows of resources related to pensions resulting from the District Attorneys' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	(\$4,262)
2021	(4,991)
2022	322
2023	(7,598)
Total	(\$16,529)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2019
Actuarial cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected salary increases	4.75%
Inflation rate	2.40%

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 Notes to the Financial Statements (Continued)

Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Expected remaining service lives	2014 - 4 years, 2015 - 4 years, 2016 - 4 years, 2017 - 4 years, 2018 - 4 years, 2019 - 4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discounted rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

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Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35 %	1.05 %
Equity	52 %	3.41 %
Alternatives	11 %	0.61 %
Real assets	2 %	0.11 %
Totals	100 %	5.18 %
Inflation		2.00 %
Expected Arithmetic Nominal Return		7.18 %

Sensitivity of the District Attorneys' proportionate share of the net pension liability to changes in the discount rate.

The following presents the net pension asset of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability as of December 31, 2019, would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District Attorneys' proportionate share of the net pension liability	\$48,666	\$450	(\$39,953)

Payables to the Pension Plan

The financial statements include a payable to the pension plan of \$2,231, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

District Attorney's Retirement System of Louisiana (System)

Plan Description

The District Attorney of the Thirty-Seventh Judicial District contributes to the District Attorneys' Retirement System (System) which is a cost sharing multiple employer defined benefit pension plan. The System was established on August 1, 1956, by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose

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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.

The District Attorneys' Retirement System prepares its employer 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 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It 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. 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.

The District Attorneys' Retirement System employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2020.

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

Any member of the Plan who was hired prior to July 1, 1990, and who have elected not to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 62 after 10 or more years of creditable service.
2. Age 60 after 18 or more years of creditable service.
3. Age 55 after 23 or more years of creditable service.
4. Any age after 30 or more years of creditable service.

The normal retirement benefit is equal to three percent of the member's final compensation for each year of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

Any member of the Plan who was hired after July 1, 1990, or who have elected to be covered under the new provisions, are eligible to receive normal retirement benefit if one of the following criteria is met:

1. Age 60 after 10 or more years of creditable service.
2. Age 55 after 24 or more years of creditable service.

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3. Any age after 30 or more years of creditable service.

The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Retirement benefits may not exceed 100% of final average compensation.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2020, the District Attorney's total payroll for all employees was \$351,529. Total covered payroll was \$101,364. Covered payroll refers to all compensation paid by the District Attorney to active employees covered by the Plan.

The District Attorneys' Retirement System issued a stand-alone audit report on their financial statements for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2020, the actual employer contribution rate 4.0%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. 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.

Members are required by state statute to contribute 8.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the District Attorney to the System monthly. The District Attorney's contributions to the System for the year ending December 31, 2020 were \$4,055.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2020 and 2019, the Employer reported a liability of \$126,883 and \$64,694, respectively, for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District Attorney's proportion of the Net Pension Liability was based on a projection of the District Attorney's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the

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District Attorney's proportion was 0.1602%, which was an increase of 0.041% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the District Attorney recognized pension expense of \$36,873 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was \$(5,616). Total pension expense for the District Attorney for the year ended December 31, 2020 was \$31,257.

At December 31, 2020, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$6,044	\$12,113
Changes in assumptions	56,962	
Net difference between projected and actual earnings on pension plan	20,570	
Changes in employer's proportion of beginning NPL	4,934	9,573
Difference between employer and proportionate share of contributions	52	199
Employer contributions subsequent to the measurement date	2,027	
Total	\$90,589	\$21,885

\$2,027 reported as deferred outflows of resources related to pensions resulting from the District Attorneys' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 1, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2021	\$14,534
2022	15,334
2023	18,799
2024	10,588
2025	7,422
TOTAL	\$66,677

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry age normal costs

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

Actuarial Assumptions:	
Investment Rate of Return	6.25%, net of Pension Plan investment expense including
Salary increases	5.00% (2.3% inflation, 2.7% 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 Disabled Retirees 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 Employees multiplied by 115% for males and females for current employees, each with full generational projection using the MP2019 scale.</p>
Expected remaining service lives	6 years
Cost of Living Adjustments	Only those previously granted

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 8.50% for the year ended June 30, 2020. Best estimates of real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Rates of Return
Equities	48.24%	5.54%
Fixed income	24.54%	1.09%
Alternatives	26.77%	1.87%
Cash	.42%	0%
Totals	100%	
Inflation		2.39%
Expected arithmetic nominal return	8.50%	

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

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at 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 payment to determine the total pension liability.

Sensitivity of the District Attorney’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the The District Attorney of the Thirty-Seventh Judicial District’s proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District Attorney’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.25%) or one percentage-point higher (7.25%) than the current rate:

	1.0% Decrease (5.25%)	Current Discount Rate (6.25%)	1.0% Increase (7.25%)
Employer’s proportionate share of net pension liability	\$231,777	\$126,883	\$39,987

Plan Fiduciary Net Position

Detailed information about the System’s fiduciary net position is available in the separately issued District Attorneys’ Retirement System of Louisiana Audit Report at www.ladars.org.

The financial statements include a payable to the pension plan of \$1,014, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

6. LITIGATION AND CLAIMS

At December 31, 2020, the district attorney is not involved in any litigation, nor is he aware of any unasserted claims.

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

**7. 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.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 11, 2021, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the District Attorney of the Thirty-Seventh Judicial District and the duration cannot be estimated at this time.

9. LOUISIANA LEGISLATIVE AUDITOR INVESTIGATION

The Louisiana Legislative Auditor performed an investigation concerning theft of funds by a former employee. The investigation was completed and the former employee plead guilty. The amount of \$116,017 was determined as restitution. A partial payment of \$18,430 was paid and monthly payments of \$500 were agreed upon in the judgement. The former employees agreed not to dispose, encumber or otherwise alienate any of her estate until the judgement is paid in full. See Schedule 7 for details.

Required Supplemental Information (Part II)

Schedule 1

District Attorney for the 37th Judicial District
 Parish of Caldwell, Louisiana
 Budgetary Comparison Schedule - General Fund
 For the Year Ended December 31, 2020

	Original/ Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Intergovernmental revenues:			
State funds:			
Department of Social Services	\$30,000	\$30,000	
Other state funds	149,077	149,077	
Local funds	6,000	6,000	
Commissions on fines and forfeitures	<u>120,396</u>	<u>118,215</u>	(2,181)
Total revenues	<u>305,473</u>	<u>303,292</u>	<u>(2,181)</u>
Expenditures			
Current:			
Judicial:			
Personal services and related benefits	235,757	218,078	17,679
Operating services	48,407	51,082	(2,675)
Materials and supplies	3,184	13,709	(10,525)
Travel and other charges	12,152	2,045	10,107
Intergovernmental	<u>10,516</u>	<u>2,035</u>	8,481
Total expenditures	<u>310,016</u>	<u>286,949</u>	<u>23,067</u>
Excess (Deficiency) of			
Revenues over Expenditures	<u>(4,543)</u>	<u>16,343</u>	<u>20,886</u>
Fund Balance - Beginning	<u>6,185</u>	<u>25,649</u>	<u>19,464</u>
Fund Balance - Ending	<u>\$1,642</u>	<u>\$41,992</u>	<u>\$40,350</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, 2020

	IV - D		Variance With Final Budget Positive (Negative)
	Original/Final Budget	Actual	
Revenues			
Intergovernmental revenues -			
Federal	\$141,216	\$141,216	
Total revenues	<u>141,216</u>	<u>141,216</u>	
Expenditures			
Current:			
Judicial:			
Personal services and related benefits	80,255	80,255	
Operating services	70,466	70,466	
Total expenditures	<u>150,721</u>	<u>150,721</u>	
Excess (Deficiency) of Revenues over Expenditures	<u>(9,505)</u>	<u>(9,505)</u>	
Fund Balance - Beginning	<u>10,035</u>	<u>10,035</u>	
Fund Balance - Ending	<u>\$530</u>	<u>\$530</u>	NONE

(Concluded)

See independent auditors report and the relate notes to the financial statements.

**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, 2020**

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.

**District Attorney of the Thirty-Seventh Judicial District
Parochial Employees Retirement System
Schedule of Employer's Share of Net Pension Liability
December 31, 2020**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.021707%	\$5,935	\$98,413	6.03%	87.34%
2016	0.017164%	\$45,181	\$104,318	43.31%	99.23%
2017	0.017589%	\$36,225	\$94,246	38.44%	82.10%
2018	0.015312%	(\$11,365)	\$60,651	(18.74%)	102.00%
2019	0.009866%	\$43,789	\$60,651	72.20%	88.86%
2020	0.009565%	\$450	\$37,350	1.20%	99.89%

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

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

See independent auditor's report and the related notes to the financial statements.

**District Attorney of the Thirty-Seventh Judicial District
 District Attorneys Retirement System
 Schedule of Employer's Share of Net Pension Liability
 December 31, 2020**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.194055%	\$3,870	\$111,697	3.46%	99.45%
2015	0.180338%	\$9,714	\$101,510	9.57%	98.56%
2016	0.167517%	\$32,064	\$101,370	31.63%	95.09%
2017	0.152913%	\$41,244	\$101,370	40.69%	93.57%
2018	0.163049%	\$52,468	\$101,370	51.76%	92.92%
2019	0.201098%	\$64,694	\$101,370	63.82%	93.13%
2020	0.160151%	\$126,883	\$101,370	125.17%	84.86%

* Amounts presented were determined as of the measurement date (6/30/20).

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

See independent auditor's report and the related notes to the financial statements.

**District Attorney of the Thirty-Seventh Judicial District
Parochial Employees Retirement System
Schedule of Employer Contributions
December 31, 2020**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$14,270	\$14,270	\$0	\$98,413	14.50%
2016	\$13,561	\$13,561	\$0	\$104,318	13.00%
2017	\$11,781	\$11,781	\$0	\$94,246	12.50%
2018	\$6,975	\$6,975	\$0	\$60,651	11.50%
2019	\$6,975	\$6,975	\$0	\$60,651	11.50%
2020	\$4,575	\$4,575	\$0	\$37,350	12.25%

* Amounts presented were determined as of the end of the fiscal year.

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

See independent auditor's report and the related notes to the financial statements.

**District Attorney of the Thirty-Seventh Judicial District
 District Attorneys Retirement System
 Schedule of Employer Contributions
 December 31, 2020**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$10,890	\$10,890	\$0	\$111,697	9.75%
2015	\$7,106	\$7,106	\$0	\$101,510	7.00%
2016	\$3,548	\$3,548	\$0	\$101,370	3.50%
2017	\$0	\$0	\$0	\$101,370	0.00%
2018	\$0	\$0	\$0	\$101,370	0.00%
2019	\$1,267	\$1,267	\$0	\$101,370	1.25%
2020	\$4,055	\$4,055	\$0	\$101,370	4.00%

* Amounts presented were determined as of the measurement date (6/30/20).

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

See independent auditor's report and the related notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

PART III

DISTRICT ATTORNEY FOR THE 37TH JUDICIAL DISTRICT
Columbia, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020

BRIAN E. FRAZIER, DISTRICT ATTORNEY

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary (State)	\$53,154
Salary (District Attorney)	76,800
Salary (Police Jury)	6,000
Car allowance (District Attorney)	9,000
Meals (District Attorney)	100

See independent auditor's report.

DISTRICT ATTORNEY OF THE -
THIRTY-SEVENTH JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY
GENERAL FUND
For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected	NONE	\$1,435
Add: Collections		
Pre-Trial Diversion Program Fees	\$22,605	23,316
Probation/Parole/Supervision Fees	105	792
Restitution	NONE	29,440
Subtotal Collections	22,710	53,548
Less: Disbursements to Governments and Non Profits		
Louisiana State Police - Pre-Trial Diversion Program	NONE	2,035
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency-Pre-Trial Diversion	21,120	22,766
Amounts "Self-Disbursed" to Collecting Agency-Restitution	NONE	24,354
Amounts "Self-Disbursed" to Collecting Agency- Probation/Parole/Supervision Fees	NONE	475
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Restitution Payments to Individuals	NONE	5,085
Restitution Payments to Merchants	155	267
Subtotal Disbursement/Retainage	21,275	54,982
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>\$1,435</u>	<u>NONE</u>

See independent auditor's report.

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

JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY
WORTHLESS CHECK FUND
For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected	NONE	NONE
Add: Collections		
Restitution	\$4,988	\$1,625
Less: Disbursements To Governments & Nonprofits		
Caldwell Parish Sheriff - service/collection fees	875	
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	1,500	481
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Restitution - merchants	2,613	1,144
Subtotal Disbursements/Retainage	4,988	1,625
Total: Ending Balance of Amounts collected but not Disbursed/Retained	NONE	NONE

See independent auditor's report.

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

JUSTICE SYSTEM FUNDING SCHEDULE
RECEIVING ENTITY
GENERAL FUND
For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended <u>6/30/2020</u>	Second Six Month Period Ended <u>12/31/2020</u>
Receipts From:		
Caldwell Parish Sheriff - Criminal Court Costs/Fees	\$5,520	\$6,890
Caldwell Parish Sheriff - Criminal Fines-other	8,999	13,606
Department of Public Safety - other	<u>113</u>	<u>75</u>
Subtotal Receipts	<u>\$14,632</u>	<u>\$20,571</u>
Total: Ending Balance of Amounts collected but not Received	<u>NONE</u>	<u>NONE</u>

See independent auditor's report.

**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.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and the major funds 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, 2020 and the related notes to the financial statements, which collectively comprise the District Attorney of the Thirty-Seventh Judicial District's basic financial statements, and have issued my report thereon dated June 11, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the District Attorney of the Thirty-Seventh 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 my opinion on the 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. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Thirty-Seventh Judicial District's internal control.

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. *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.

My 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

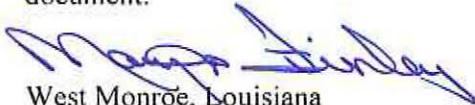
DISTRICT ATTORNEY OF THE
THIRTY-SEVENTH JUDICIAL DISTRICT
PARISH OF CALDWELL
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2020

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District Attorney of the Thirty-Seventh Judicial District's financial statements are free from material misstatement, I 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 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*.

Purpose of this Report

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



West Monroe, Louisiana
June 11, 2021

DISTRICT ATTORNEY OF THE THIRTY-SEVENTH
JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Schedule of Audit Results
For the Year Ended December 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the 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 material weaknesses 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

C. FINDING - LEGISLATIVE AUDITORS INVESTIGATIVE AUDIT REPORT

The Louisiana Legislative Auditor completed an investigative audit of the district attorney and issued its report dated July 8, 2020.

Finding: Pre-Trial Diversion Program Revenue Not Deposited

A now former employee of the District Attorney for the 37th Judicial District, Ms. Bonnie McGrew, received at least \$116,017 in public funds that belonged to the District Attorney's office between January 2017 and December 2019 but did not deposit them. Ms. McGrew acknowledged to a Louisiana State Police (LSP) detective that she took money from the District Attorney's office while handling Pre-Trial Diversion funds and believes she used it to pay personal bills. By taking District Attorney funds and using them for her personal benefit, Ms. McGrew may have violated state and federal law.

Recommendation: We recommend that the District Attorney:

- (1) ensure that employees are not accepting cash payments;
- (2) Assign separate employees responsibility for receiving payments and issuing receipts, depositing payments, and recording the receipt of payments to the accounting records;

DISTRICT ATTORNEY OF THE THIRTY-SEVENTH
JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Schedule of Audit Results
For the Year Ended December 31, 2020

- (3) assign an independent employee to reconcile receipts to deposits at least monthly to ensure all collected funds were deposited;
- (4) seek legal advice as to the appropriate actions to be taken regarding the recovery of funds; and
- (5) develop and implement a written policy to address record retention in accordance with state law.

Management's Response: The District Attorney states:

Recommendation #1: ensure that employees are not accepting cash payments.

Response: Immediately upon termination of Mrs. McGrew, I modified my employee handbook and specifically amended the same to reflect that any employee that took any cash whatsoever concerning any matter pertaining to the Caldwell Parish District Attorney's Office would be terminated immediately. I then had each member of my staff review the modified employee manual and sign an acknowledgment that each understood the modification.

Recommendation #2: assign separate employees responsible for receiving payments and issuing receipts, depositing payments, and recording the receipt of payments to the accounting records.

Response: I have implemented an Office policy that complies with recommendation #2 to the extent that compliance is feasible. My policy requires that my office manager take a money order or cashier's check and make a receipt for said payment. Immediately, a deposit slip is completed and the payment and deposit are taken directly to the bank and deposited by a separate employee. The deposit slip is returned to the office manager who enters the payment into the office database.

Since January 23, 2020, no money whatsoever has been kept overnight at the Caldwell Parish District Attorney's Office. In the event that money may need to be kept in this Office for any given period of time, I have a lock box that is kept in drawer and the drawer is secured by lock and key. Only one person has access to both.

Full compliance with Recommendation #2 would require hiring two more employees at the Caldwell Parish District Attorney's Office. Full compliance would require a separate employee for the following tasks: 1) receiving payments, 2) issuing receipts, 3) depositing payments and 4) imputing

DISTRICT ATTORNEY OF THE THIRTY-SEVENTH
JUDICIAL DISTRICT
Parish of Caldwell, Louisiana
Schedule of Audit Results
For the Year Ended December 31, 2020

payments into the office database. Unfortunately, the Caldwell Parish District Attorney's does not have sufficient resources to hire additional staff for compliance purposes. I am fully confident that sufficient protective measures have been implemented to ensure a future misappropriation is highly unlikely.

Note: Any audits, internal or external, will now be conducted by reconciling the receipt book with the office database with the bank statements.

Recommendation #3: assign an independent employee to reconcile receipts to deposits at least monthly to ensure all funds were deposited.

Response: Full compliance with Recommendation #3 is not feasible. Compliance would require an additional employee to independently reconcile receipts with deposits. The Caldwell Parish District Attorney's Office has an administrative assistant and office manager. The only other support staff is the administrator of the Child Support Division. However, as stated above in the response to recommendation #2, preventative measures currently in place create oversight. This oversight together with the policy of NO CASH WHATSOEVER will make a future misappropriation highly unlikely.

NOTE: The Caldwell Parish District Attorney's Office is set up to receive electronic payments and encourage this practice to anyone seeking to make a payment.

Recommendation #4: seek legal advice as to the appropriate actions to be taken regarding the recovery of funds.

Response: As set forth hereinabove, Mrs. McGrew has entered a plea of guilty and restitution is a condition of probation. The payment of restitution shall be monitored by the Caldwell Parish District Attorney's Office and noncompliance, if any, will be reported to the Department of Corrections, Office of Probation and Parole.

Recommendation #5: develop and implement a written policy to address record retention in accordance with state law.

Response: The Caldwell Parish District Attorney's Office is currently developing a records retention policy in accordance with La.R.S. 44:36(A)

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

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

Finding 2019-001 Need to Comply with Louisiana Local Government Budget Act

Condition: The District Attorney's office did not allow 10 days between the date of publication of the public hearing and the public hearing.

Status: This finding is no longer applicable.

2019-002 Inadequate Segregation of Duties

Condition: The segregation of duties is inadequate to provide effective internal control.

Status: This finding has been corrected.