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DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 1999

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

Release Date 8-2-00



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LOUISIANA

DISTRICT ATTORNEY OF THE NINETEENTH
JUDICIAL DISTRICT
EAST BATON ROUGE PARISH, LOUISIANA

FINANCIAL REPORT

DECEMBER 31, 1999



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INDEPENDENT AUDITORS' REPORT

The Honorable Doug Moreau
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the District Attorney of the Nineteenth Judicial District, a component unit of the City-Parish of Baton Rouge, as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the Office of the District Attorney of the Nineteenth Judicial District. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Nineteenth Judicial District, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 6, 2000, on our consideration of the District Attorney of the Nineteenth Judicial District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Baton Rouge, Louisiana
April 6, 2000



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Doug Moreau
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the District Attorney of the Nineteenth Judicial District as of and for the year ended December 31, 1999, and have issued our report thereon dated April 6, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the Nineteenth Judicial District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District Attorney of the Nineteenth Judicial District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & McWhirter

Baton Rouge, Louisiana
April 6, 2000





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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Doug Moreau
District Attorney of the Nineteenth
Judicial District
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the District Attorney of the Nineteenth Judicial District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The District Attorney of the Nineteenth Judicial District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District Attorney of the Nineteenth Judicial District's management. Our responsibility is to express an opinion on the District Attorney of the Nineteenth Judicial District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney of the Nineteenth Judicial District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District Attorney of the Nineteenth Judicial District's compliance with those requirements.

In our opinion, the District Attorney of the Nineteenth Judicial District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items.

Internal Control Over Compliance

The management of the District Attorney of the Nineteenth Judicial District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District Attorney of the Nineteenth Judicial District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Postthuraite & Methroilly

Baton Rouge, Louisiana
April 6, 2000



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 1999

ASSETS

	<u>Governmental Fund Type</u>		<u>Fiduciary</u>
	<u>General</u>	<u>Special</u>	<u>Fund Type</u>
	<u>Fund</u>	<u>Revenue Fund</u>	<u>Agency</u>
			<u>Funds</u>
<u>ASSETS</u>			
Cash and certificates of deposit	\$ 1,946,430	242,117	\$ 38,780
Accounts receivable:			
Grants from Louisiana Department of Health and Hospitals	-	72,316	-
Other	51,166	-	-
Due from other funds	6,673	-	-
General fixed assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 2,004,269	\$ 314,433	\$ 38,780

LIABILITIES AND FUND EQUITY

<u>LIABILITIES</u>			
Accounts payable	\$ 31,542	\$ 3,519	\$ -
Accrued compensated absences	43,555	11,221	-
Due to other funds	-	6,470	203
Due to other governmental units	-	5,367	38,577
Other liabilities	21,824	-	-
Total Liabilities	96,921	26,577	38,780
	<hr/>	<hr/>	<hr/>
<u>FUND EQUITY</u>			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balances:			
Unreserved - undesignated	1,907,348	287,856	-
Total Fund Equity	1,907,348	287,856	-
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 2,004,269	\$ 314,433	\$ 38,780

The accompanying notes are an integral part of this financial statement.



Account Group General Fixed Assets	Totals (Memorandum Only)	
	1999	1998
	\$ -	\$ 2,227,327
-	72,316	106,652
-	51,166	89,704
-	6,673	3,576
<u>1,330,551</u>	<u>1,330,551</u>	<u>1,336,795</u>
<u>\$ 1,330,551</u>	<u>\$ 3,688,033</u>	<u>\$ 3,416,276</u>
\$ -	\$ 35,061	\$ 67,345
-	54,776	53,239
-	6,470	3,576
-	43,944	31,881
-	21,824	14,044
<u>-</u>	<u>162,075</u>	<u>170,085</u>
\$ 1,330,551	\$ 1,330,551	\$ 1,336,795
-	2,195,407	1,909,396
<u>1,330,551</u>	<u>3,525,958</u>	<u>3,246,191</u>
<u>\$ 1,330,551</u>	<u>\$ 3,688,033</u>	<u>\$ 3,416,276</u>

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund	Special Revenue Fund	Totals (Memorandum Only)	
			1999	1998
<u>REVENUES</u>				
Fines and forfeitures	\$ 568,841	\$ -	\$ 568,841	\$ 425,105
Interest	85,694	9,394	95,088	88,400
Intergovernmental revenue:				
Grants:				
Louisiana Department of Social Services	-	863,033	863,033	674,814
Incentive payments	16,001	-	16,001	141,054
City of Baton Rouge	3,066,794	-	3,066,794	2,913,121
State of Louisiana	1,203,735	-	1,203,735	1,301,277
Other:				
Check collection fees	216,585	-	216,585	229,036
Narcotic seizure fees	18,233	-	18,233	52,940
Other	679,584	9,450	689,034	396,846
Total Revenues	5,855,467	881,877	6,737,344	6,222,593
<u>EXPENDITURES</u>				
General Government:				
Current operating:				
Personnel service	4,717,014	738,271	5,455,285	5,273,561
Auto and equipment	222,944	16,763	239,707	206,686
Indirect costs	-	25,392	25,392	6,097
Supplies and office	75,514	11,883	87,397	101,862
Other	168,228	34,790	203,018	224,248
Capital outlay	440,737	-	440,737	72,133
Total Expenditures	5,624,437	827,099	6,451,536	5,884,587
<u>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</u>	231,030	54,778	285,808	338,006
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	40,011	-	40,011	15,553
Operating transfers out	-	(40,011)	(40,011)	(15,553)
Total other financing sources (uses)	40,011	(40,011)	-	-
<u>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	271,041	14,767	285,808	338,006
Fund balances - beginning of year	1,636,307	273,089	1,909,396	1,571,390
Fund balances - end of year	\$ 1,907,348	\$ 287,856	\$ 2,195,204	\$ 1,909,396

The accompanying notes are an integral part of this financial statement.



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 1999**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Fines and forfeitures	\$ 560,000	\$ 568,841	\$ 8,841
Interest	80,000	85,694	5,694
Intergovernmental revenue:			
Grants:			
Louisiana Department of Social Services	-	-	-
Incentive payments	35,000	16,001	(18,999)
City of Baton Rouge	3,171,240	3,066,794	(104,446)
State of Louisiana	1,250,000	1,203,735	(46,265)
Check collection fees	225,000	216,585	(8,415)
Narcotic seizure fees	15,000	18,233	3,233
Other	640,000	679,584	39,584
Total Revenues	<u>5,976,240</u>	<u>5,855,467</u>	<u>120,773</u>
<u>EXPENDITURES</u>			
General Government:			
Current operating:			
Personnel service	4,750,000	4,717,014	32,986
Auto and equipment	250,000	222,944	27,056
Indirect costs	-	-	-
Supplies and office	60,000	75,514	(15,514)
Other	150,000	168,228	(18,228)
Capital outlay	456,000	440,737	15,263
Total Expenditures	<u>5,666,000</u>	<u>5,624,437</u>	<u>41,563</u>
<u>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURE</u>	<u>310,240</u>	<u>231,030</u>	<u>(79,210)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	-	40,011	40,011
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>40,011</u>	<u>40,011</u>
<u>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>310,240</u>	<u>271,041</u>	<u>(39,199)</u>
<u>FUND BALANCES</u>			
Beginning of year	<u>1,636,307</u>	<u>1,636,307</u>	<u>-</u>
End of year	<u>\$ 1,946,547</u>	<u>\$ 1,907,348</u>	<u>\$ (39,199)</u>

The accompanying notes are an integral part of this financial statement.



Special Revenue Fund

Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
7,000	9,394	2,394
880,000	863,033	(16,967)
-	-	-
-	-	-
-	-	-
-	-	-
9,450	9,450	-
<u>896,450</u>	<u>881,877</u>	<u>(14,573)</u>
850,000	738,271	111,729
27,000	16,763	10,237
77,000	25,392	51,608
40,000	11,883	28,117
32,500	34,790	(2,290)
-	-	-
<u>1,026,500</u>	<u>827,099</u>	<u>199,401</u>
<u>(130,050)</u>	<u>54,778</u>	<u>184,828</u>
-	-	-
-	(40,011)	(40,011)
-	(40,011)	(40,011)
(130,050)	14,767	144,817
<u>273,089</u>	<u>273,089</u>	<u>-</u>
<u>\$ 143,039</u>	<u>\$ 287,856</u>	<u>\$ 144,817</u>



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 within his district, is the representative of the state before the grand jury in his district, is legal advisor to the grand jury, and performs other duties as provided by law. The Nineteenth Judicial District encompasses the parish of East Baton Rouge, Louisiana.

A. Financial Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney of the Nineteenth Judicial District (the District Attorney) is a part of the district court system in the State of Louisiana. However, the District Attorney operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the District Attorney reports as an independent reporting entity.

As the governing authority of the parish, for reporting purposes, the City-Parish of Baton Rouge is the financial reporting entity for East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (City-Parish), (b) organizations for which the 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 Statement No. 14 established criteria for determining which component units should be considered part of the City-Parish of Baton Rouge for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. 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 City-Parish to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City-Parish.
2. Organizations for which the City-Parish does not appoint a voting majority but are fiscally dependent on the City-Parish.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Because the City-Parish provides a significant amount of financial revenues, the district attorney was determined to be a component unit of the City-Parish of Baton Rouge, 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 City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

The District Attorney is elected by the qualified electors of the judicial district for a term of six years.

B. Fund Accounting

The accounts of the District Attorney are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund Type

General Fund

The General Fund was established in compliance with Louisiana Revised Statute (R.S.) 15:571.11, which provides that 12% of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of the District Attorney. Administratively, the District Attorney has established certain sub-accounts within the General Fund as follows:

Check collections account

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

Special Revenue Fund

The Special Revenue Fund consists of 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 NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

Fiduciary Fund Type

Agency Fund

Agency Funds are used to account for assets held by the Office of the District Attorney as an agent for other governments and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District Attorney has established the following agency fund:

Narcotic Seizure Account

The District Attorney's Narcotic Seizure Account is used to account for assets awarded by court judgments as a result of seizures and forfeitures of property in successfully prosecuted narcotics and other criminal investigations. The proceeds are held in custody by the District Attorney for distribution as provided under applicable Louisiana Statutes.

C. **Fixed Assets**

The accounting and reporting treatment applied to the fixed assets is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. Fixed assets are valued at historical cost, no depreciation has been provided on general fixed assets and no interest has been capitalized.

D. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Grants and state appropriations are recorded when the District Attorney is entitled to the funds. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

E. Budgets and Budgetary Accounting

The District Attorney follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Municipal Budget Act of the State of Louisiana, the District Attorney prepares operating budgets for the general and special revenue funds at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budgets are available for public inspection for a fifteen day period prior to a public hearing held to obtain taxpayer comment.
3. The budgets are adopted at the public hearing and are authorized for implementation on the first day of the fiscal year.
4. The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP).
5. The budgets may be revised during the year as estimates regarding revenues and expenditures change.
6. Appropriations lapse at the end of each fiscal year.

F. Compensated Absences

On January 1, 1987, the District Attorney adopted a policy for leave benefits which allows a maximum of 15 days of vacation leave per calendar year to be earned. Employees may accumulate a maximum of 40 hours to be carried forward to a succeeding calendar year. Upon termination, employees are paid for their unused vacation leave. Sick leave is allowed to accrue and accumulate. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations. Under the leave policy adopted, accrual of unused vacation leave in the financial statements is required in accordance with GASB Statement No. 16. However, accrual of unused sick leave is not required since the amount accumulated lapses upon termination.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

G. **Cash and Certificates of Deposit**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. **Total Columns on Combined Statements - Overview**

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

I. **Operating Transfers In and Out**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

2. **CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance December 31, 1998	Additions	Deletions	Balance December 31, 1999
Equipment	\$ 669,955	\$ 49,111	\$ 28,867	\$ 690,199
Vehicles	666,840	142,685	169,173	640,352
	<u>\$ 1,336,795</u>	<u>\$ 191,796</u>	<u>\$ 198,040</u>	<u>\$ 1,330,551</u>



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

3. RETIREMENT SYSTEMS

The District Attorney and Assistant District Attorneys, whose salaries are paid by the State of Louisiana, and the Office of the District Attorney, are members of the Louisiana District Attorneys Retirement System. This retirement system is a multiple employer cost sharing, statewide public employee retirement system administered and controlled by a separate board of trustees. Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System. This system operates under the supervision of a seven member board of trustees independent from the City-Parish government.

Pertinent information relevant to each plan follows:

A. Louisiana District Attorneys' Retirement System (LDARS)

Plan Description. The LDARS provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116, or by calling (504) 947-5551.

Funding Policy. Plan members are required to contribute 7.00 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. There were no employer contributions required for 1999.

The district attorneys' contributions to the LDARS for the years ending December 31, 1999 and 1998 were \$0 and \$98,354, respectively, equal to the required contributions for each year.

B. City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System (EBRERS)

Plan Description. The EBRERS provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The EBRERS issues a publicly available financial report that includes financial statements and required supplementary information for the EBRERS. That report may be obtained by writing to the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System, P. O. Box 1471, Baton Rouge, Louisiana 70802, or by calling (225) 389-3272.

DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

3. **RETIREMENT SYSTEMS (continued)**

B. **City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System (EBRERS) (continued)**

Funding Policy. Plan members are required to contribute 9.50 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The current rate is 16.13 percent of annual covered payroll. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The district attorneys' employer contribution for the LDARS is funded by the State of Louisiana through annual appropriations.

The district attorneys' contributions to the EBRERS for the years ending December 31, 1999 and 1998, were \$78,173 and \$78,675, respectively, equal to the required contributions for each year.

4. **EXPENDITURES OF THE DISTRICT ATTORNEY'S OFFICE NOT INCLUDED IN THE ACCOMPANYING FINANCIAL STATEMENTS**

The accompanying financial statements do not include certain expenditures of the District Attorney paid from funds of the City of Baton Rouge and the Parish of East Baton Rouge. These expenditures for the year ended December 31, 1999 are as follows:

City-Parish of East Baton Rouge:

Insurance	\$ 8,812
Supplies and other	31,903
Contract services	<u>80,157</u>
Total	<u>\$ 120,872</u>

5. **ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

For the year ended December 31, 1999, the District Attorney of Baton Rouge recorded on-behalf payments from the following sources:

City-Parish of East Baton Rouge

Salaries	\$ 2,491,967
Pensions	280,100
Insurance	<u>294,727</u>
Total	<u>\$ 3,066,794</u>

State of Louisiana

Salaries	\$ 1,203,735
Pension	<u>-</u>
Total	<u>\$ 1,203,735</u>



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

6. INTERFUND TRANSACTIONS

The following is a summary of amounts due from and due to other funds at December 31, 1999:

	<u>Due From</u>	<u>Due To</u>
General Fund		
District Attorney's Narcotic Seizure Fund	\$ 203	\$ -
Special Revenue Fund	6,470	-
Special Revenue Fund (Title IV-D)		
General Fund	-	6,470
Agency Fund		
General Fund	-	203
	<u>\$ 6,673</u>	<u>\$ 6,673</u>

7. CASH AND CERTIFICATES OF DEPOSIT

At December 31, 1999, the carrying amount of the District Attorney's deposits was \$2,227,327 and the bank balances were \$2,264,578. Of the bank balance, \$2,100,000 was covered by federal depository insurance and \$1,570,624 was covered by collateral held by the pledging bank's agent in the District Attorney's name.

8. FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 13.783. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. Beginning July 1998, the State eliminated incentive payments and began paying 100% of reimbursement requests. For the year ended December 31, 1999 and 1998, the District Attorney for the Nineteenth Judicial District expended \$863,033 in reimbursement payments and \$674,814 in reimbursement and incentive payments, respectively.

The reimbursement payments are restricted by a formal agreement between the district attorney and Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The district attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

There are no restrictions on how incentive payments may be expended, except as may be required by state law for any other funds of the District Attorney. However, these payments, as well as the reimbursement payments, may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditures that may be disallowed as a result of such a review or audit.



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Federal Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity's Identifying Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health and Human Services Passed Through the Louisiana Department of <u>Social Services</u>			
Child Support Enforcement Title IV-D	13.783	DSS #02148	\$ 863,033

Note A – Basis of Presentation

The schedules of expenditures of federal awards includes the federal grant activity of District Attorney of the Nineteenth Judicial District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1999

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the general purpose financial statements of the District Attorney of the Nineteenth Judicial District.
2. One reportable condition disclosed during the audit of the financial statements is reported in the report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the District Attorney of the Nineteenth Judicial District were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the District Attorney of the Nineteenth Judicial District expresses an unqualified opinion on the major federal program.
6. There were not any audit findings relative to the major federal award program.
7. The program tested as a major program is: Title IV-D, CFDA Number 13.783.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The District Attorney of the Nineteenth Judicial District was not determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

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Finding:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action recommended.



DISTRICT ATTORNEY OF THE NINETEENTH JUDICIAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1999

Management's
Response:

All receipts received directly by bookkeepers are in the form of checks from the State or other government agencies. All disbursements are made by check, and all checks, except for those drawn on the imprest payroll account, require two signatures. Other controls are in place to provide adequate safeguarding of assets, even though adequate segregation of duties cannot be accomplished due to limited staffing in the administrative and accounting areas.

FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS

None.

