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**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

Release Date 08-02-00

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DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
General Purpose Financial Statements
As of and for the Year Ended December 31, 1999
With Supplemental Information Schedules

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INDEPENDENT AUDITORS' REPORT

To the Honorable Walter E. May, Jr., District Attorney
Second Judicial District
Jonesboro, Louisiana

We have audited the accompanying general purpose financial statements of the District Attorney of the Second Judicial District, parishes of Bienville, Claiborne and Jackson, Louisiana, as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the District Attorney of the Second Judicial District's management. 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 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 significant estimates made by management, as well as evaluating the overall 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 Second Judicial District of Louisiana 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 our report dated June 25, 1999, on our consideration of the District Attorney of the Second Judicial District of Louisiana's internal control over financial reporting and 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 of the District Attorney of the Second Judicial District of Louisiana. 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.



Kenneth D. Folden & Co.
Certified Public Accountants

Jonesboro, Louisiana
June 25, 2000

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana

ALL FUND TYPES AND ACCOUNT GROUP
Combined Balance Sheet, December 31, 1999

	Governmental Fund Types		Fiduciary Fund Type	Account Group	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Agency Funds	General Fixed Assets	
ASSETS					
Cash and cash equivalents	\$ 218,385	\$ 89,979	\$ 56,787	\$	\$ 365,151
Receivables	132,661	19,138			151,799
Due from other funds	11,838				11,838
Other assets		400			400
Fixed assets				404,132	404,132
TOTAL ASSETS	\$ 362,884	\$ 109,517	\$ 56,787	\$ 404,132	\$ 933,320
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$ 58,277	\$ 5,080	\$	\$	\$ 63,357
Due to other funds			11,838		11,838
Payroll deductions and withholdings payable	11,174	5,891			17,065
Seized assets pending judgement			44,949		44,949
Total liabilities	69,451	10,971	56,787		137,209
Fund equity					
Investment in general fixed assets				404,132	404,132
Fund balances - unreserved and undesignated	293,433	98,546			391,979
Total equity	293,433	98,546	NONE	404,132	796,111
TOTAL LIABILITIES AND FUND	\$ 362,884	\$ 109,517	\$ 56,787	\$ 404,132	\$ 933,320

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 1999

Statement B

	General	Special Revenue	Total (Memorandum Only)
REVENUES			
Commissions	\$ 239,879	\$ 37,418	\$ 277,297
Federal grants	37,175	244,397	281,572
State grants	48,109		48,109
LACE reimbursements	81,983		81,983
Interest	1,706	148	1,854
Other	126,715		126,715
Total revenues	<u>535,567</u>	<u>281,963</u>	<u>817,530</u>
EXPENDITURES			
Automobile	4,201		4,201
Advertising	252		252
Association dues	6,108		6,108
Contracted services	32,046	223	32,269
Court costs	9,866		9,866
Dues and subscriptions	1,536	3,211	4,747
Insurance	2,369	31,505	33,874
LACE	85,597		85,597
Legal and accounting	11,096	2,746	13,842
Library	1,599	4,479	6,078
Office supplies	7,916	13,085	21,001
Pre-trial intervention	54,974		54,974
Rentals	1,835	5,736	7,571
Repairs and maintenance	4,788	3,293	8,081
Salaries and related benefits	103,436	158,307	261,743
Seminars and conferences	5,142	2,513	7,655
Supplies	5,166		5,166
Telephone and utilities	20,172	13,851	34,023
Travel	29,902	11,290	41,192
Other	614		614
Payment to merchants		433	433
Capital outlay	69,533		69,533
Total expenditures	<u>458,148</u>	<u>250,672</u>	<u>708,820</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>77,419</u>	<u>31,291</u>	<u>108,710</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	12,000		12,000
Operating transfers out		(12,000)	(12,000)
Total other financing sources (uses)	<u>12,000</u>	<u>(12,000)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>89,419</u>	<u>19,291</u>	<u>108,710</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>204,014</u>	<u>79,255</u>	<u>283,269</u>
FUND BALANCES AT END OF YEAR	<u>\$ 293,433</u>	<u>\$ 98,546</u>	<u>\$ 391,979</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
GOVERNMENTAL FUNDS

Statement C

Combined Statement of Revenues, Expenditures and
Changes in Funds Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES						
Commissions	\$ 189,650	\$ 239,879	\$ 50,229	\$ 42,300	\$ 37,418	\$ (4,882)
Federal grants	29,000	37,175	8,175	264,900	244,397	(20,503)
State grants	25,000	48,109	23,109			
LACE reimbursements	72,000	81,983	9,983			
Interest	2,000	1,706	(294)	1,300	148	(1,152)
Other	106,550	126,715	20,165			
Total revenues	424,200	535,567	111,367	308,500	281,963	(26,537)
EXPENDITURES						
Automobile	5,850	4,201	1,649			
Advertising	600	252	348	300		300
Association dues	7,000	6,108	892	2,000	3,211	(1,211)
Contracted services	11,650	32,046	(20,396)	500	223	277
Court Costs	385	9,866	(9,481)			
Dues and subscriptions	1,800	1,536	264			
Insurance	2,050	2,369	(319)	21,000	31,505	(10,505)
LACE	72,000	85,597	(13,597)			
Legal and accounting	19,850	11,096	8,754	8,000	2,746	5,254
Library	15,200	1,599	13,601	2,650	4,479	(1,829)
Office supplies	16,500	7,916	8,584	18,550	13,085	5,465
Pre-trial intervention	54,600	54,974	(374)			
Rent		1,835	(1,835)	5,000	5,736	(736)
Repairs and maintenance	5,000	4,788	211	2,000	3,293	(1,293)
Salaries and related benefits	84,240	103,436	(19,196)	166,900	158,307	8,593
Seminars and conferences	15,000	5,142	9,858	5,650	2,513	3,137
Supplies	4,200	5,166	(966)			
Telephone and utilities	24,000	20,172	3,828	16,700	13,851	2,849
Travel	12,250	29,902	(17,652)	12,000	11,290	710
Other		614	(614)			
Payments to merchants				200	433	(232)
Capital outlay	36,115	69,533	(33,418)	12,800		12,800
Total expenditures	388,290	458,148	(69,858)	274,250	250,672	23,578
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	35,910	77,419	41,509	34,250	31,291	(2,959)
OTHER FINANCING SOURCES (USES)						
Operating transfers in		12,000	12,000			
Operating transfers out					(12,000)	(12,000)
Total other financing sources (uses)	NONE	12,000	12,000	NONE	(12,000)	(12,000)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	35,910	89,419	53,509	34,250	19,291	(14,959)
FUND BALANCES AT BEGINNING OF YEAR	31,945	204,014	172,069	65,500	79,255	13,755
FUND BALANCES AT END OF YEAR	\$ 67,855	\$ 293,433	\$ 225,578	\$ 99,750	\$ 98,546	\$ 1,204

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

INTRODUCTION

The Second Judicial District is composed of the parishes of Bienville, Claiborne and Jackson located in northeast Louisiana. As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district, and is 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the District Attorney of the Second Judicial District have been prepared in conformity with 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.

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the District Attorney of the Second Judicial District includes all funds, account groups, et cetera, that are within the oversight responsibility of the District Attorney. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the District Attorney is deemed to be a separate reporting entity. Certain units of local government over which the District Attorney exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Attorney.

C. FUND ACCOUNTING

The District Attorney uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District Attorney are classified into two categories: governmental and fiduciary. The category for governmental funds is divided into two fund types and there is one fiduciary fund category. A description of these fund classifications and their fund types follows:

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUND TYPES

Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the District Attorney include:

General Fund

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

Special Revenue Funds

Title IV-D Special Revenue Fund

The Title IV-D Special Revenue Fund consisted of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the 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.

Worthless Check Collection Fee Special Revenue Fund

The Worthless Check Collection Fee Special Revenue Fund 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.

FIDUCIARY FUND TYPE

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. The fiduciary funds of the District Attorney are:

Agency Funds

Agency Funds account for assets held by the District Attorney on behalf of others as its agent. An Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT

Parishes of Bienville, Claiborne and Jackson, Louisiana

Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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 funds are accounted for using the modified accrual basis of accounting. Governmental fund revenues are recognized when they become measurable and available as net current assets.

Commissions on fines are collected by the sheriffs' departments and remitted to the District Attorney. Therefore, amounts remitted during the current period and amounts collected by the government agency during the current period and received within 60 days by the District Attorney, are recognized as revenue. Substantially all other commissions are recognized as revenue in the period collected.

Federal grant revenues of the Title IV-D Special Revenue Fund consist of a partial reimbursement of expenditures reported to the Department of Social Services and remitted by the government agency. Therefore, amounts remitted during the current period, amounts based upon current period expenditures and collections received within 60 days by the District Attorney, are recognized as revenue.

General Fund grant revenues are recognized in the period for which the grant was issued if received in time to pay current year-end liabilities.

Expenditures

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

Other Financing Sources (Uses)

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

E. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principals (GAAP). Annually appropriated budgets are adopted for the general and special revenue funds. The District Attorney approves all budget changes or amendments. At year end, all appropriations lapse. Budgeted amounts shown in financial statements are as amended.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements (Continued)

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District Attorney.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. 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.

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1999, the District Attorney had no investments.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Ninety-eight per cent of the general fixed assets are valued at historical cost; two per cent of the asset values are estimated.

I. COMPENSATED ABSENCES

Employees earn from two weeks to five weeks of vacation leave annually, depending upon length of service; vacation leave does not accumulate. Employees earn twelve days of sick leave annually; six days of sick leave may be accumulated. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The amount of accumulated sick leave is immaterial to the financial statements and is not accrued.

J. TOTAL COLUMNS ON STATEMENTS

The total columns on the 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. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At December 31, 1999, the District Attorney has cash and cash equivalents (book balances) totaling \$365,151 as follows:

Demand deposits including interest-bearing	\$ 343,643
Petty cash	200
Time deposits	<u>21,308</u>
Total	<u>\$ 365,151</u>

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements (Continued)

2. CASH AND CASH EQUIVALENTS (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the related bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1999, the District Attorney has \$381,210 in deposits (collected bank balances). These deposits are maintained in seven financial institutions and are secured from risk by \$337,527 of federal deposit insurance and \$105,000 of pledged assets.

3. RECEIVABLES

The following is a summary of receivables at December 31, 1999:

Class of Receivable	General Fund	Special Revenue Funds	Total
Due from other governments:			
Due from federal grants	\$	\$ 19,138	\$ 19,138
Due from state grant	23,109		23,109
Due from criminal court fund	90,392		90,392
Commissions collected by parish sheriffs	19,160		19,160
Total	\$ 132,661	\$ 19,138	\$ 151,799

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Equipment and furniture	\$ 334,599	\$ 69,533	\$	\$ 404,132
Total	\$ 334,599	\$ 69,533	NONE	\$ 404,132

5. PENSION PLAN

DISTRICT ATTORNEYS RETIREMENT SYSTEM (DARS)

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

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION PLAN (Continued)

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

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (225) 947-5551.

Funding Policy. Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. For 1999, the district attorney was not required to make any contributions. Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district attorney's contributions to the System for the years ending December 31, 1999, 1998, and 1997, were \$0, \$680 and \$1,968, respectively, equal to the required contributions for each year.

PAROCHIAL EMPLOYEES RETIREMENT SYSTEM (PERS)

Plan Description. Substantially all employees of the District Attorney, Second Judicial District are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION PLAN (Continued)

PAROCHIAL EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)

All permanent employees working at least 28 hours per week who are paid wholly or in part by the District Attorney of the Second Judicial District are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District Attorney of the Second Judicial District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney of the Second Judicial District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The District Attorney of the Second Judicial District's contributions to the System under Plan A for the years ending December 31, 1999, 1998, and 1997, were \$19,190, \$19,597, and \$19,781, respectively, equal to the required contributions for each year.

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

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the Bienville, Claiborne or Jackson Parish Police Juries or directly by the state. A portion of the salaries of the District Attorney and assistant district attorneys are paid directly by the state. The parish police juries pay certain other expenditures of the District Attorney.

7. 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 reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 1999, the District Attorney for the Second Judicial District expended \$246,284 in reimbursement payments.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to the Financial Statements (Continued)

7. FEDERAL FINANCIAL ASSISTANCE PROGRAM (Continued)

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.

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.

8. LITIGATION

The District Attorney of the Second Judicial District is a defendant in various lawsuits filed by inmates. Although the outcome of these lawsuits is not presently determinable, in the opinion of the district attorney's legal council, the resolution of these matters will not have a material adverse effect on the financial condition of the Second Judicial District Attorney.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Supplemental Information Schedules
For the Year Ended December 31, 1999

SPECIAL REVENUE FUNDS

Title IV-D Special Revenue Fund

The Title IV-D Special Revenue Fund consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the 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.

Worthless Check Collection Fee Special Revenue Fund

The Worthless Check Collection Fee Special Revenue Fund 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.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1999

	Title IV-D Fund	Worthless Check Collection Fee Fund	Total
ASSETS			
Cash and cash equivalents	\$ 24,516	\$ 65,463	\$ 89,979
Receivables	19,138		19,138
Other assets	400		400
TOTAL ASSETS	\$ 44,054	\$ 65,463	\$ 109,517
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 5,080		\$ 5,080
Payroll deductions and withholdings payable	5,891		5,891
Total liabilities	10,971	NONE	10,971
Fund Equity - fund balances:			
Unreserved - undesignated	33,083	65,463	98,546
Total fund equity	33,083	65,463	98,546
TOTAL LIABILITIES AND FUND EQUITY	\$ 44,054	\$ 65,463	\$ 109,517

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 1999

	Title IV-D Fund	Worthless Check Collection Fee Fund	Total
REVENUES			
Commissions	\$	\$ 37,418	\$ 37,418
Federal grants	244,397		244,397
Interest earnings	148		148
Total revenues	244,545	37,418	281,963
EXPENDITURES			
Dues	3,211		3,211
Contracted services	223		223
Insurance	31,505		31,505
Legal and accounting	2,746		2,746
Office supplies	9,130	3,955	13,085
Rent	5,736		5,736
Repairs and maintenance	3,293		3,293
Salaries and related benefits	158,307		158,307
Seminars and conferences	2,513		2,513
Telephone and utilities	13,851		13,851
Travel	11,290		11,290
Library	4,479		4,479
Payments to merchants		433	433
Total expenditures	246,284	4,388	250,672
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,739)	33,030	31,291
OTHER FINANCING SOURCES (USES)			
Operating transfers out		(12,000)	(12,000)
Total other financing sources (uses)	NONE	(12,000)	(12,000)
EXCESS (Deficiency) OF REVENUES AND OTHER OVER (UNDER) EXPENDITURES AND OTHER USES	1,739	21,030	19,291
FUND BALANCES AT BEGINNING OF YEAR	34,822	44,433	79,255
FUND BALANCES AT END OF YEAR	\$ 33,083	\$ 65,463	\$ 98,546

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
Supplemental Information Schedules
For the Year Ended December 31, 1999**

AGENCY FUNDS

ASSET SEIZURE FUND

The Asset Seizure Agency Fund accounts for the seizure and forfeiture of assets obtained through judgements. The seized assets are liquidated and distributed according to court order.

BOND PROCEEDS FUND

The Bond Proceeds Agency Fund accounts for the collection and settlement of judgements of bond forfeitures and for the receipt and settlement of Two Per Cent "Bond Fee" Proceeds. The bond forfeitures are collected and settled in accordance with Louisiana Revised Statute 15:571.11.

Two Per Cent "Bond Fee" Proceeds are disbursed to the District Attorney by the State Insurance Commissioner. The District Attorney then settles the bond fee proceeds according to Louisiana Revised Statute 22:1065.1.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana
AGENCY FUNDS

Combining Balance Sheet, December 31, 1999

	Asset Seizure Fund	Bond Proceeds Fund	Total
ASSETS			
Cash and cash equivalents	\$ 56,787	\$	\$ 56,787
TOTAL ASSETS	<u>56,787</u>	NONE	<u>56,787</u>
LIABILITIES			
Liabilities			
Seized assets pending judgement	44,949		44,949
Due to other funds	11,838		11,838
TOTAL LIABILITIES	<u>\$ 56,787</u>	NONE	<u>\$ 56,787</u>

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana

Combining Schedule of Changes in Deposits Due Others - Agency Funds
For the Year Ended December 31, 1999

	Asset Seizure Agency Fund	Bond Proceeds Agency Fund	Total
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 58,080	NONE	\$ 58,080
ADDITIONS			
Seized assets	5,585		5,585
Appearance bond forfeitures		19,016	19,016
Two percent bond proceeds		25,704	25,704
Interest	1,708		1,708
Total Deposits Available	<u>65,373</u>	<u>44,720</u>	<u>110,093</u>
REDUCTIONS			
Bienville Parish :			
Clerk of Court	219		219
Sheriff	2,738	2,121	4,859
Claiborne Parish:			
Clerk of Court	175		175
Sheriff		3,823	3,823
Jackson Parish:			
Clerk of Court	113		113
Sheriff		3,730	3,730
Second Judicial District:			
Criminal Court Fund	1,309		1,309
District Attorney	1,557	14,016	15,573
District Court		10,276	10,276
Indigent Defender Board		10,754	10,754
Metro Narcotics Task Force	1,135		1,135
Hodge Police	355		355
Other	985		985
Total Reductions	<u>8,586</u>	<u>44,720</u>	<u>53,306</u>
DEPOSIT BALANCES AT END OF YEAR	<u>\$ 56,787</u>	<u>NONE</u>	<u>\$ 56,787</u>

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Claiborne and Jackson, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 1999**

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Expenditures/ Expenses
United States Department of Health and Human Resources		
Passed-Through Louisiana Department of Social Services -		
Child Support Enforcement		
Reimbursements	13.783	\$ 244,397
United States Department of Justice		
Passed-Through Louisiana Commission on Law Enforcement -		
Grant #98-B01-B200009 - Pretrial Intervention	16.579	\$ 19,458
Grant #B97-8-021 - Information Systems Upgrade	16.579	22,111
Grant #B99-1-003 - Pretrial Intervention	16.579	17,717
Grant #M98-8-036 - Domestic Violence Network	16.558	998
		<hr/> 60,284 <hr/>
Total		\$ 304,681

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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

To the Honorable Walter E. May, Jr., District Attorney
Second Judicial District
Jonesboro, Louisiana

We have audited the general purpose financial statements of the District Attorney of the Second Judicial District of Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 25, 1999. We conducted our audit in accordance with generally accepted auditing 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 Second Judicial District of Louisiana's 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 instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the Second Judicial District of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be 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 misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Kenneth D. Folden & Co.

Kenneth D. Folden & Co.
Certified Public Accountants

Jonesboro, Louisiana
June 25, 2000

Kenneth D. Folden & Co.

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

To the Honorable Walter E. May, Jr., District Attorney
Second Judicial District
Jonesboro, Louisiana

Compliance

We have audited the compliance of the District Attorney of the Second 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 Second 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 Second Judicial District's management. Our responsibility is to express an opinion on the District Attorney of the Second 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 Second 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 on the District Attorney of the Second Judicial District's compliance with those requirements.


In our opinion, the District Attorney of the Second 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.

Internal Control Over Compliance

The management of the District Attorney of the Second Judicial District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District Attorney of the Second 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 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 audited 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. However, this report is a matter of public record and its distribution is not limited.



Kenneth D. Folden & Co.
Certified Public Accountants

Jonesboro, Louisiana
June 25, 2000

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1999**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the District Attorney of the Second Judicial District.
2. No reportable conditions relating to the audit of the financial statement are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instance of noncompliance material to the financial statements of the District Attorney of the Second Judicial District was disclosed during the audit. There was an immaterial instance of noncompliance reported in our management letter.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**.
5. The auditors' report on compliance for the major federal award program for the District Attorney of the Second Judicial District expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the District Attorney of the Second Judicial District are reported in Part C of this schedule.
7. The program tested as a major program was the Child Support Enforcement Program (CFDA #13.783).
8. The District Attorney of the Second Judicial District did not have a federal program that expended \$300,000 or more. Therefore, the threshold was lowered and the above program was determined to be a major program as a result of risk-based approach assessment and encompassing at least 50 percent of total Federal awards expended.
9. The District Attorney of the Second Judicial District was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings for the year ended December 31, 1999.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

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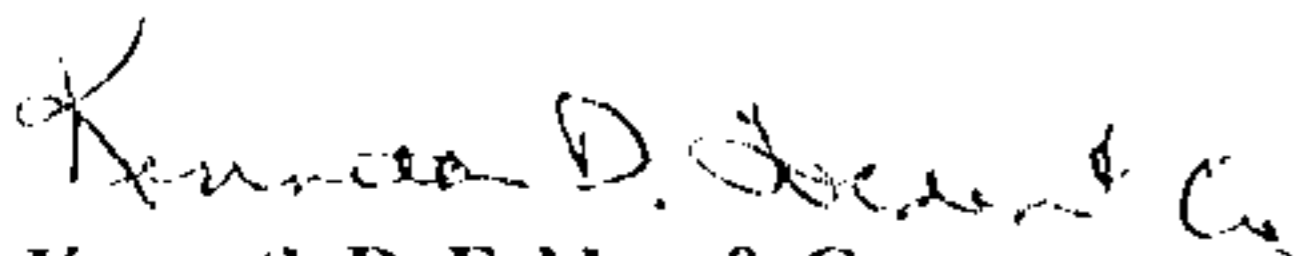
To the Honorable Walter E. May, Jr., District Attorney
Second Judicial District
Jonesboro, Louisiana

In planning and performing our audit of the primary government financial statements of the District Attorney of the Second Judicial District, as of and for the year ended December 31, 1999, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:

10. The internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure; and,
11. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District Attorney of the Second Judicial District's compliance with certain provisions of laws, regulations and contracts. The objective of our audit was not to provide an opinion on overall compliance with such provision. Accordingly, we did not express such an opinion.

During our audit, we became aware of certain matters involving immaterial noncompliance with laws and matters disclosed in the audit report, as of and for the year ended December 31, 1999. The memorandum that accompanies this letter summarizes our comments regarding those matters. (We previously reported on the District Attorney of the Second Judicial District's compliance with laws in our report dated June 25, 2000.) This letter does not affect our report dated June 25, 2000, on the financial statements of the District Attorney of the Second Judicial District.

Sincerely,



Kenneth D. Folden & Co.
Certified Public Accountants

Jonesboro, Louisiana
June 25, 2000

Budgets

For the year ended December 31, 1999, the District Attorney of the Second Judicial District failed to adequately amend the budgeted expenditures of the General Fund. Failure to adequately amend the budgeted expenditures resulted in actual expenditures exceeding the budgeted expenditures by more than five percent. Louisiana Revised Statute 39:1310 requires that amendments shall be made whenever actual expenditures are exceeding the budgeted expenditures by five percent or more.

For the year ended December 31, 1999, the District of the District Attorney of the Second Judicial District failed to adequately amend the budgeted revenues of the Title IV-D and the Worthless Checks Special Revenue Funds. Failure to adequately amend the budgeted revenues resulted in actual revenues being less than budgeted revenues by more than five percent. Louisiana Revised Statute 39:1310 requires that amendments shall be made when actual revenues are less than budgeted revenues by five percent or more.

We recommend that the District Attorney of the Second Judicial District comply with Louisiana Revised Statute 39:1310.

In a letter dated June 25, 2000, the District Attorney of the Second Judicial District responded by stating that the General Fund's actual expenditures did exceed budgeted expenditures by more than five percent and the budgeted revenues of the Title IV-D and Worthless Check Special Revenue Funds were less than budgeted revenues by more than five percent; this was strictly an oversight and that its budgeted expenditures will be monitored closely, int the future.

Prior Year's Findings

None.