

**DISTRICT ATTORNEY OF THE  
TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORT THEREON**

**YEAR ENDED DECEMBER 31, 1995**

SHARP & ADORNO  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ACCOUNTING CORPORATION

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## **FINANCIAL SECTION**

**SHARP & ADORNO**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL ACCOUNTING CORPORATION

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**INDEPENDENT AUDITOR'S REPORT**

Jack M. Capella  
District Attorney of the  
Twenty-Fourth Judicial District

We have audited the accompanying general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District as of December 31, 1995, and for the year then ended. These general purpose financial statements are the responsibility of the management of the District Attorney of the Twenty-Fourth 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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 Twenty-Fourth Judicial District, as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 1996, on our consideration of the District Attorney of the Twenty-Fourth Judicial District's internal control structure and a report dated June 24, 1996, on its compliance with laws and regulations.

**Sharp & Adorno**

A Professional Accounting Corporation

Harvey, Louisiana

June 24, 1996

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1995

|  | Governmental<br>Fund<br>Type | Fiduciary<br>Fund<br>Types | Account<br>Group<br>General<br>Fixed<br>Assets | Total<br>(Memorandum<br>only) |
|--|------------------------------|----------------------------|--|-------------------------------|
|  | General<br>Fund              | Agency<br>Funds            |  |                               |
| <b>ASSETS AND OTHER DEBITS</b>                                   |                              |                            |  |                               |
| Cash and cash equivalents  | \$27,954                     | \$6,347                    | \$ -   | \$34,301                      |
| Investments  | 6,836,065                    | 143,000                    | -  | 6,979,065                     |
| Receivables  |                              |                            |  |                               |
| Commissions on fines and<br>bond forfeitures                     | 18,500                       | -                          | -  | 18,500                        |
| Title IV-D incentives  | 39,241                       | -                          | -  | 39,241                        |
| Court costs  | 20,902                       | -                          | -  | 20,902                        |
| Automobiles  | -                            | -                          | 154,561  | 154,561                       |
| Office furniture, equipment, and<br>building improvements        | -                            | -                          | 301,362  | 301,362                       |
| <b>TOTAL ASSETS AND<br/>OTHER DEBITS</b>                         | <b>\$6,942,662</b>           | <b>\$149,347</b>           | <b>\$455,923</b>                               | <b>\$7,547,932</b>            |
| <b>LIABILITIES, FUND BALANCE,<br/>AND OTHER CREDITS</b>          |                              |                            |  |                               |
| <i>Liabilities</i>   |                              |                            |  |                               |
| Accounts payable   | \$3,711                      | \$ -                       | \$ -   | \$3,711                       |
| Held for future disposition                                      | -                            | 149,347                    | -  | 149,347                       |
| <i>Total Liabilities</i>   | 3,711                        | 149,347                    | -  | 153,058                       |
| <i>Fund Equity and Other Credits</i>                             |                              |                            |  |                               |
| Investment in general fixed<br>assets                            | -                            | -                          | 455,923  | 455,923                       |
| Fund balance designated,<br>unreserved                           | 500,000                      | -                          | -  | 500,000                       |
| Fund balance undesignated,<br>unreserved                         | 6,438,951                    | -                          | -  | 6,438,951                     |
| <i>Total Fund Equity and Other<br/>Credits</i>                   | 6,938,951                    | -                          | 455,923  | 7,394,874                     |
| <b>TOTAL LIABILITIES, FUND<br/>EQUITY, AND OTHER<br/>CREDITS</b> | <b>\$6,942,662</b>           | <b>\$149,347</b>           | <b>\$455,923</b>                               | <b>\$7,547,932</b>            |

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1995

|  | General Fund       |                    | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|--|
|  | Actual             | Budget             |  |
| <b>REVENUES</b>  |                    |                    |  |
| Commissions on asset forfeitures                             | \$107,132          | \$107,500          | (\$368)                                |
| Fines and forfeitures  | 309,915            | 305,000            | 4,915                                  |
| Bond fees  | 98,883             | 98,900             | (17)                                   |
| Worthless check fees   | 162,734            | 170,000            | (7,266)                                |
| Postage fees   | 200                | 150                | 50                                     |
| Diversion fees   | 22,290             | 23,500             | (1,210)                                |
| Court costs  | 112,819            | 145,000            | (32,181)                               |
| Grants:  |                    |                    |  |
| Louisiana Department of Social Services -                    |                    |                    |  |
| Title IV-D incentives  | 314,525            | 290,000            | 24,525                                 |
| LEAA education grant   | 22,500             | 22,500             | 0                                      |
| Interest earnings  | 352,923            | 285,000            | 67,923                                 |
| <b>TOTAL REVENUES</b>  | <b>1,503,921</b>   | <b>1,447,550</b>   | <b>56,371</b>                          |
| <b>EXPENDITURES</b>  |                    |                    |  |
| Accounting fees  | 5,814              | 5,815              | 1                                      |
| Office expenses  | 5,514              | 6,000              | 486                                    |
| Travel and training  | 32,676             | 33,000             | 324                                    |
| Professional fees  | 30,950             | 30,000             | (950)                                  |
| Repairs and maintenance                                      | 7,086              | 7,000              | (86)                                   |
| Intergovernmental transfers                                  | 2,974              | 150,000            | 147,026                                |
| Capital outlays  | 38,832             | 38,000             | (832)                                  |
| <b>TOTAL EXPENDITURES</b>                                    | <b>123,846</b>     | <b>269,815</b>     | <b>145,969</b>                         |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b> | <b>1,380,075</b>   | <b>1,177,735</b>   | <b>202,340</b>                         |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>                      | <b>5,558,876</b>   | <b>5,558,876</b>   | <b>-</b>                               |
| <b>FUND BALANCE - END OF YEAR</b>                            | <b>\$6,938,951</b> | <b>\$6,736,611</b> | <b>\$202,340</b>                       |

The accompanying notes are an integral part of this statement.



DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 1995

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the Office of the District Attorney of the Twenty-Fourth Judicial District are described below:

**Basis of Presentation**

The accompanying financial statements of the District Attorney of the Twenty-Fourth 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.

**Reporting Entity**

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Twenty-Fourth Judicial District has charge of every criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the Parish of Jefferson.

GASB Statement 14 established criteria for determining the governmental reporting entity and components that should be included within the reporting entity. For financial reporting purposes, in conformity with GASB Statement 14, the financial statements of the District Attorney include all funds and account groups that are within the oversight responsibility of the District Attorney's office.

For financial reporting purposes, in conformance with GASB Statement 14, the District Attorney of the Twenty-Fourth Judicial District is a part of the district court system of the State of Louisiana. However, the state statutes that create the District Attorneys also give the District Attorneys control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The District Attorney is financially independent and operates autonomously from the State of Louisiana and independently from the district court system. Accordingly, the District Attorney reports as an independent reporting entity.



## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Fund Accounting**

The District Attorney uses funds and an account group to report its financial position and results of 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. An account group, on the other hand, 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 financial resources.

The District Attorney's funds have been classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

### **Governmental Funds**

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

- \* General fund - the general operating fund of an entity, which accounts for all financial resources, except those required to be accounted for in other funds. The District Attorney's revenue from fines, fees, and certain other sources is accounted for in this fund.
- \* Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District Attorney has no special revenue funds.
- \* Debt service funds - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group. The District Attorney has no debt service funds.
- \* Capital projects funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds. The District Attorney has no capital projects funds.

### **Fiduciary Funds**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Fiduciary funds include:

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- \* Expendable trust funds - accounted for in essentially the same manner as governmental funds. The resources, including both principal and earnings, may be expended. The District Attorney has no expendable trust funds.
- \* Non-expendable trust funds - accounted for in essentially the same manner as proprietary funds (not included in these statements). The principal may not be expended. The District Attorney has no non-expendable trust funds.
- \* Agency funds - account for assets held by the District Attorney on behalf of others as their agent. Agency funds are custodial in nature, and do not involve measurement of results of operations. The District Attorney's Asset Forfeiture Fund is an agency fund.

The funds presented in the financial statement are as follows:

### **General Fund (District Attorney's Expense)**

The District Attorney's Expense Fund was established in compliance with Louisiana Revised Statute 15:571.11.A.(1).(b), which provides that twelve percent of all fines and forfeitures collected by the sheriff shall be remitted to the District Attorney's office to be used by the District Attorney in defraying in expenses of his office.

Additionally, the District Attorney, under the provisions of Louisiana Revised Statute 15:571.11.L, effective June 22, 1993, receives twenty-five percent of all judgments of bond forfeiture rendered after the effective date, resulting from the posting of a surety bond in a criminal proceeding in the 24th Judicial District.

### **Agency Fund (Asset Forfeiture)**

The District Attorney's Asset Forfeiture Agency Fund is used to account for assets seized in narcotics cases in which the District Attorney has received the seized assets, pending the final disposition of the case. The assets may ultimately be returned to the defendant from whom they were seized, transferred to another agency, or divided among the District Attorney, the Parish of Jefferson as custodian of judicial funds, and the seizing agency. In the latter instance, the District Attorney is responsible for allocating the assets to the respective agencies net of the expenses incurred in handling the assets.

### **Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Other financing sources (uses) consist of transfers between funds that are not expected to be repaid. These other financing sources (uses) are recognized at the time the underlying events occur.

### **Revenue Recognition**

Commissions on fines and forfeitures are recorded in the year they are collected by the tax collector. Grants are recorded when the District Attorney is entitled to receive the funds. Interest earned on time deposits is recorded when the time deposits have matured and the interest is available. Other revenues are recognized when they become measurable and available to finance expenditures of the current period.

### **Budgets**

The District Attorney adopts a formal budget for the General Fund on the modified accrual basis of accounting. Formal budget integration within the accounting records is employed as part of the accounting system. The District Attorney prepares and reviews a comparison of budget to actual figures for revenues and expenditures on a quarterly basis. The District Attorney adopted its original 1995 budget on October 31, 1994, and there was one subsequent amendment during the year. Appropriations lapse at year end, and the District Attorney does not utilize encumbrance accounting.

### **Cash and Investments**

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. 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. Investments are stated at cost.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fixed Assets**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

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

The general fixed asset account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations.

Certain fixed assets used in the District Attorney's office are provided by Jefferson Parish, (a separate entity) and are accounted for in the general fixed assets account group of the Parish.

**Compensated Absences**

Employees of the District Attorney's office accrue vacation leave at varying rates, based on their years of continuous service. Employees hired before April 26, 1986 may carry forward a maximum of ninety unused vacation days from one year to the next. Employees hired after April 26, 1986 may carry forward a maximum of twenty days.

Employees accrue sick leave at a rate of 13 days per year. There is no limitation on the amount of sick leave that may be carried forward from one year for the next. At the time of retirement, sick leave can be converted into cash and/or service credit.

All employees' salaries are paid by the Jefferson Parish Council and the State of Louisiana and any accruals relating to vacation leave are properly includable in the financial statements of the Council and the State.

**Fund Equity**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**Total Columns on Statements**

Total columns on the general purpose financial 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 are

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Use of Estimates**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At year end, the carrying amount (book balance) of the District Attorney's deposits was \$34,301 and the bank balance was \$53,911. The book balance is categorized as follows:

|   |            |
|---|------------|
| Amount insured by the FDIC,<br>or collateralized with securities<br>held by the District Attorney's agent<br>in the District Attorney's name                              | \$ 34,301  |
| Amount collateralized with securities<br>held by the pledging financial institution's<br>trust department or agent in the District<br>Attorney's name                     | -0-        |
| Uncollateralized (includes balances that<br>are collateralized with securities held by<br>the pledging financial institution, but not<br>in the District Attorney's name) | <u>-0-</u> |
| Total bank balance  | \$ 34,301  |

Under state law, these deposits must be insured 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, 1995, the District Attorney has \$34,301 in deposits (collected bank balances). These deposits are secured from risk by \$34,301 of federal deposit insurance.

### NOTE 3 - INVESTMENTS

The District Attorney's investments at year end are categorized below to give an indication of the level of risk assumed by the District Attorney. Category 1 includes investments that are either insured or registered, or for which the securities are held by the District Attorney, or its agent, in the District Attorney's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District Attorney's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District Attorney's name.

| Investment Type     | Category |             |        | Carrying Amount | Market Value |
|---------------------|----------|-------------|--------|-----------------|--------------|
|                     | 1        | 2           | 3      |                 |              |
| U.S. Treasury Notes | \$ -0-   | \$3,970,052 | \$ -0- | \$3,970,052     | \$4,009,830  |
| FNMA Discount Notes | -0-      | 467,134     | -0-    | 467,134         | 499,000      |
| U.S. Treasury Bills | -0-      | 1,373,550   | -0-    | 1,373,550       | 1,391,839    |
| Total               | \$ -0-   | \$5,810,736 | \$ -0- | \$5,810,736     | \$5,900,669  |

In addition, the District Attorney has \$1,168,329 invested in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 1995, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organization of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted



**NOTE 3 - INVESTMENTS (continued)**

average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 297 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**NOTE 4 - FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group during the year:

|                         | Balance<br>January 1,<br>1995 | Additions | Deletions | Balance<br>December 31,<br>1995 |
|-------------------------|-------------------------------|-----------|-----------|---------------------------------|
| Automobiles             | \$ 158,686                    | \$ -0-    | \$ 4,125  | \$ 154,561                      |
| Furniture and equipment | 180,276                       | 38,832    | -0-       | 219,108                         |
| Building improvements   | 75,168                        | 7,086     | -0-       | 82,254                          |
| Total                   | \$ 414,130                    | \$ 45,918 | \$ 4,125  | \$ 455,923                      |

**NOTE 5 - PENSION PLANS**

The District Attorney and assistant district attorneys are members of the Louisiana District Attorneys' Retirement System. The Louisiana District Attorneys' Retirement System is a multiple employer state-wide retirement system which is administered and controlled by a board of trustees. The District Attorney's office does not contribute to the plan or guarantee any of the benefits granted by the plan.

All other employees of the District Attorney's office are members of the Parochial Employees' Retirement System of Louisiana and/or Employees' Retirement Systems of Jefferson Parish, Louisiana. All costs relating to salaries and pension contributions are paid by Jefferson Parish and the State of Louisiana; therefore, such costs are not included in the accompanying financial statements, but are included in the financial statements of the Parish and the State.

**NOTE 6 - EXPENSES PAID BY OTHERS**

The accompanying financial statements do not include certain expenditures of the District Attorney's office paid out of the funds of the District Court, or directly by the State of Louisiana or the Parish of Jefferson. The Title IV-D Fund (reimbursement portion), which is maintained and accounted for by Jefferson Parish, is the reporting responsibility of the Parish. A summary of funds paid on behalf of the District Attorney's office follows:

**NOTE 6 - EXPENSES PAID BY OTHERS (continued)**

|                     | <u>Salaries and<br/>Employee Benefits</u> | <u>Other</u> | <u>Total</u>     |
|---------------------|---|--------------|------------------|
| Parish of Jefferson | \$2,969,227                               | \$647,761    | \$3,616,988      |
| State of Louisiana  | <u>1,378,000</u>                          | <u>-0-</u>   | <u>1,378,000</u> |
| Total               | \$4,347,227                               | \$647,761    | \$4,994,988      |

**NOTE 7 - FEDERAL FINANCIAL ASSISTANCE PROGRAM**

The District Attorney participates in the United States Department of Health and Human Services Child Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 13.783. The Federal expense reimbursement portion of this program is included in the general purpose financial statements of Jefferson Parish.

The District Attorney receives and accounts for incentive payments received from the Louisiana Department of Social Services and calculated as a percentage of each type of child support collected. Incentive payments earned during the year ended December 31, 1995, totaled \$314,525. These funds are recorded in the general fund of the District Attorney's office, as there are no restrictions on the expenditure of incentive funds, except as required by State law for any other funds of the District Attorney.

**NOTE 8 - INTERGOVERNMENTAL TRANSFERS**

The following budgeted transfers were made by the District Attorney's office for the year ended December 31, 1995:

Louisiana District Attorneys Association           \$ 2,974

The District Attorney entered into a cooperative agreement with the Louisiana District Attorneys Association (LDAA) in which the District Attorney agreed to find the local match portion of a Louisiana Commission on Law Enforcement Grant to LDAA for crime lab research. The grant period ended September 30, 1994 and \$32,205 was expended during the year ending December 31, 1994. The subsequent expenditure of \$2,974 was made in January of 1995 as the final matching-fund payment under the cooperative agreement.

**NOTE 9 - ECONOMIC DEPENDENCY**

The District Attorney's office receives a majority of its funding through the Jefferson Parish Council, the State of Louisiana, and the Federal government through its Title IV-D contract. If significant budget cuts are made at the Federal, State, or local level, the amount of funds the District Attorney's office received could be reduced substantially, resulting in an adverse impact on its operations.

The District Attorney is not aware of any actions that will adversely impact the amount of funds to be received in the year ending December 31, 1996.

**NOTE 10 - LITIGATION**

The District Attorney's office is a named defendant in several lawsuits, which it is vigorously defending. Such matters arise out of the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes, based on the advice of legal counsel, the final outcome of such litigation will not have a material adverse effect on the District Attorney's financial position.

**NOTE 11 - SUBSEQUENT EVENTS**

In June of 1996 the District Attorney transferred \$2.5 million in cash to Jefferson Parish for use in combating prison overcrowding in the parish.

**SUPPLEMENTAL INFORMATION**

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA

**AGENCY FUNDS**

Agency funds are used to account for assets held by the District Attorney as an agent for individuals, private organization, other governmental units, and/or other funds.

**Asset Forfeiture**

This fund is used to account for assets seized in narcotics cases in which the District Attorney has received the seized assets pending the final disposition of the case. The assets may ultimately be returned to the defendant from whom they were seized, transferred to another agency, or divided among the District Attorney; the Parish of Jefferson, as custodian of judicial funds; and the seizing agency. In the latter instance, the District Attorney is responsible for allocating the assets to the respective agencies net of the expenses incurred in handling the assets.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA

AGENCY FUND - ASSET FORFEITURE

SCHEDULE OF CHANGES  
IN DEPOSIT BALANCES DUE TO OTHERS

For the Year Ended December 31, 1995

|  | Asset<br>Forfeiture<br>Fund |
|--|-----------------------------|
| DEPOSIT BALANCES DUE TO OTHERS<br>AT JANUARY 1, 1995   | \$245,982                   |
| ADDITIONS  |                             |
| Deposits:  |                             |
| Forfeitures  | 321,324                     |
| Other  | 1,279                       |
| Fines collected  |                             |
| Fees collected   |                             |
| TOTAL ADDITIONS  | 322,603                     |
| REDUCTIONS   |                             |
| Deposits settled to:                                   |                             |
| Litigants  | 21,216                      |
| District Attorney's Office                             | 80,408                      |
| Other agencies   | 317,614                     |
| TOTAL REDUCTIONS                                       | 419,238                     |
| DEPOSIT BALANCES DUE TO OTHERS<br>AT DECEMBER 31, 1995 | \$149,347                   |

See Independent Auditor's Report.



**COMPLIANCE AND  
INTERNAL CONTROL SECTION**

**SHARP & ADORNO**  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL STRUCTURE IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Jack M. Capella  
District Attorney of the  
Twenty-Fourth Judicial District  
State of Louisiana

We have audited the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 24, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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.

The management of the District Attorney of the Twenty-Fourth Judicial District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the

internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

We noted other matters involving the internal control structure and its operation that we have reported to the District Attorney of the Twenty-Fourth Judicial District in a separate letter dated June 24, 1996.

This report is intended for the information of the District Attorney, management, and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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June 24, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH LAWS AND REGULATIONS IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Jack M. Capella  
District Attorney of the  
Twenty-Fourth Judicial District  
State of Louisiana

We have audited the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District as of and for the year ended December 31, 1995, and have issued our report thereon dated June 24, 1996.

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.

Compliance with laws, regulations, contracts, and grants applicable to the District Attorney of the Twenty-Fourth Judicial District is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District Attorney's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests of compliance disclosed no reportable noncompliance findings that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the District Attorney, management, and the

Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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June 24, 1996



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**INDEPENDENT AUDITOR'S REPORT ON  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Jack M. Capella  
District Attorney of the  
Twenty-Fourth Judicial District  
State of Louisiana

We have audited the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District for the year ended December 31, 1995 and have issued our report thereon dated June 24, 1996. These general purpose financial statements are the responsibility of the District Attorney of the Twenty-Fourth 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, *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free material misstatement. An audit in accordance with these standards 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule 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.

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Harvey, Louisiana

June 24, 1996

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT  
STATE OF LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Year Ended December 31, 1995

| Description  | CFDA<br>Number | Grant Period |               | Assistance Received<br>During Year |             | Total<br>Revenue<br>Recognized | Expenditures |             | Total<br>Expenditures |
|--|----------------|--------------|---------------|------------------------------------|-------------|--------------------------------|--------------|-------------|-----------------------|
|  |                | From         | Through       | Federal                            | Local Match |                                | Federal      | Local Match |                       |
| U.S. Department of Health and Human Services<br>Passed through Louisiana Department of Social<br>Services, Office of Eligibility Determination,<br>Support Enforcement Services Title IV-D<br>incentive grant* | 13.783         | July 1, 1994 | June 30, 1995 | \$ 163,582                         | \$ -        | \$ 163,582                     | \$ -         | \$ -        | \$ -                  |
|  |                | July 1, 1995 | June 30, 1996 | 150,943                            | -           | 150,943                        | -            | -           | -                     |
|  |                |              |               | <u>\$ 314,525</u>                  | <u>\$ -</u> | <u>\$ 314,525</u>              | <u>\$ -</u>  | <u>\$ -</u> | <u>\$ -</u>           |

\* Revenue shown as "Title IV-D incentives" on Statement of Revenues, Expenditures,  
and Changes in Fund Balances. Nonmajor program.

See Independent Auditor's Report.

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Jack M. Capella  
District Attorney of the  
Twenty-Fourth Judicial District  
State of Louisiana

We have audited the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District for the year ended December 31, 1995, and have issued our report thereon dated June 24, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of the District Attorney of the Twenty-Fourth Judicial District in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in separate report dated June 24, 1996.

The management of the District Attorney of the Twenty-Fourth Judicial District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or

disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

**Activity Cycles**

Purchases and disbursements  
External financial reporting  
Payroll and personnel

**Accounting Applications**

Purchasing and receiving

**General Requirements**

Political activity  
Civil rights  
Cash management  
Federal financial reports  
Allowable costs/cost principles  
Drug-Free Workplace Act  
Administrative requirements

**Specific Requirements**

Types of services  
Eligibility  
Matching  
Reporting  
Cost allocation

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the District Attorney of the Twenty-Fourth Judicial District received 100% of its total federal financial assistance under the Title IV-D Program, a nonmajor federal financial assistance program, and expended \$0.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the District Attorney of the Twenty-Fourth Judicial District's nonmajor federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary

to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operation that we consider to be material weaknesses as defined above.

We noted other matters involving the internal control structure and its operation that we have reported to the management of the District Attorney of the Twenty-Fourth Judicial District in a separate letter dated June 24, 1996.

This report is intended for the information of the District Attorney, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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June 24, 1996



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Jack M. Capella  
District Attorney of the  
Twenty-Fourth Judicial District

We have audited the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 24, 1996.

We have applied procedures to test the District Attorney of the Twenty-Fourth Judicial District's compliance with the following requirements applicable to its federal financial assistance program, which is identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995:

- \* Political activity
- \* Civil rights
- \* Cash management
- \* Drug free workplace
- \* Federal financial reports
- \* Allowable costs
- \* Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Government*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District Attorney of the Twenty-Fourth Judicial District's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to



believe that the District Attorney of the Twenty-Fourth Judicial District had not complied, in all material respects, with those requirements.

This report is intended for the information of the District Attorney, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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June 24, 1996

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June 24, 1996

Mr. Jack M. Capella  
District Attorney of the Twenty-Fourth  
Judicial District  
State of Louisiana

Dear Mr. Capella:

In planning and performing our audit of the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District for the year ended December 31, 1995, we considered its internal control structure in order to determine our audit procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, during our audit, we noted certain matters, which we do not consider reportable conditions, that we offer for your consideration:

***Records Management***

**Finding**

During our testing of cash disbursements, District Attorney personnel could not locate one invoice out of a sample of twenty-five invoices selected for testing. We were able to assure ourselves through alternate procedures, including a review of the canceled check, that the invoice was for a legal and legitimate expense of the office.

**Recommendation**

We recommend that all invoices be filed with a copy of the check written for the expense, and that responsible personnel periodically review the filing of invoices by support staff.

This report is intended for the information of the District Attorney, management, and the Legislative Auditor of the State of Louisiana.

We thank you for the cooperation given us during the course of our audit, and especially the assistance provided by Kim Penton. If you have any questions or comments concerning our observations and recommendations, please call us. We will be pleased to

District Attorney of the Twenty-Fourth  
Judicial District  
June 24, 1996  
Page 2

answer any questions or assist in the implementation of any of our recommendations. We  
look forward to working with you in 1996.

Sincerely,

*JTG*

*JTG*

Joseph T. Gardemal III  
Certified Public Accountant

JTG/msw