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

**GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997
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 audited, or reviewed, 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 ~~6/22/97~~

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

General Purpose Financial Statements
As of and for the Year Ended December 31, 1997
With Supplemental Information Schedules

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INDEPENDENT AUDITORS' REPORT

To the Honorable Walter E. Map, Jr., District Attorney
Second Judicial District
Jourd'oune, Louisiana

We have audited the accompanying general purpose financial statements of the District Attorney of the Second Judicial District, parishes of Iberville, Claiborne and Jackson, Louisiana, as of and for the year ended December 31, 1997. 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. 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. 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 aspects, the financial position of the District Attorney of the Second Judicial District of Louisiana as of December 31, 1997, 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 19, 1998, 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.


Kenneth B. Folds & Co.
Certified Public Accountants

Jourd'oune, Louisiana
June 19, 1998

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

ALL FUND TYPES AND ACCOUNT GROUP
Combined Balance Sheet, December 31, 1997

| | Governmental Fund Type | | Fiduciary Fund Type | Account Group | Total (Memorandum Only) |
|---|---------------------------|-----------------------------|------------------------|---------------------------|-------------------------------|
| | General Fund | Special Revenue Funds | Agency Funds | General Fund Assets | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 79,148 | \$ 60,315 | \$ 43,797 | \$ | \$ 183,663 |
| Receivables | 35,878 | 16,313 | | | 52,191 |
| Due from other funds | 7,215 | | 4,675 | | 11,890 |
| Other assets | | 408 | | | 408 |
| Fixed assets | | | | 331,663 | 331,663 |
| TOTAL ASSETS | \$ 122,246 | \$ 76,648 | \$ 48,472 | \$ 331,663 | \$ 629,029 |
| LIABILITIES AND FUND EQUITY | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 11,888 | \$ 1,378 | \$ | \$ | \$ 13,266 |
| Due to other funds | 4,675 | | 7,215 | | 11,890 |
| Due to other governments | | | 4,675 | | 4,675 |
| Payroll deductions and withholdings payable | 18,610 | 7,526 | | | 26,136 |
| Retired assets pending judgement | | | 26,571 | | 26,571 |
| Total liabilities | \$ 35,173 | \$ 9,904 | \$ 37,461 | \$ NONE | \$ 82,538 |
| Fund equity | | | | | |
| Investment in general fixed assets | | | | 331,663 | 331,663 |
| Fund balances - unreserved and undesignated | 87,073 | 66,744 | | | 153,817 |
| Total equity | \$ 87,073 | \$ 66,744 | \$ NONE | \$ 331,663 | \$ 515,480 |
| TOTAL LIABILITIES AND FUND | \$ 122,246 | \$ 76,648 | \$ 48,472 | \$ 331,663 | \$ 629,029 |

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT

Statement B

Parishes of Bienville, Calcasieu and Jackson, Louisiana

GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Year Ended December 31, 1997

| | General | Special Revenues | Total (Memorandum Only) |
|---|-------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Commissions | \$ 171,064 | \$ 41,000 | \$ 212,064 |
| Federal grants | 63,547 | 107,128 | 170,675 |
| State grants | 24,794 | | 24,794 |
| LACE reimbursements | 67,000 | | 67,000 |
| Interest | 1,384 | 700 | 2,084 |
| Other | 1,307 | | 1,307 |
| Total revenues | 329,196 | 149,828 | 479,024 |
| EXPENDITURES | | | |
| Automobile | 8,400 | | 8,400 |
| Advertising | 808 | | 808 |
| Association dues | 2,428 | | 2,428 |
| Contracted services | 8,000 | 1,600 | 9,600 |
| Dues and subscriptions | 5,115 | | 5,115 |
| Insurance | 2,790 | 14,219 | 17,009 |
| LACE | 67,000 | | 67,000 |
| Legal and accounting | 18,300 | 2,000 | 20,300 |
| Library | 8,160 | | 8,160 |
| Office supplies | 8,219 | 10,400 | 18,619 |
| Payroll intervention | 70,360 | | 70,360 |
| Postals | 800 | 7,400 | 8,200 |
| Repairs and maintenance | 4,119 | 5,419 | 9,538 |
| Salaries and related benefits | 62,407 | 180,210 | 242,617 |
| Seminars and conferences | 10,799 | 3,000 | 13,799 |
| Supplies | 8,818 | | 8,818 |
| Telephone and utilities | 14,207 | 14,050 | 28,257 |
| Travel | 8,679 | 5,918 | 14,597 |
| Other | 1,417 | | 1,417 |
| Capital outlay | | 2,700 | 2,700 |
| Total expenditures | 318,700 | 200,588 | 519,288 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | 10,496 | 49,240 | 59,736 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 54,774 | | 54,774 |
| Operating transfers out | | (54,774) | (54,774) |
| Total other financing sources (uses) | 54,774 | (54,774) | 0.000 |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 75,270 | (4,534) | 70,736 |
| FUND BALANCES AT BEGINNING OF YEAR | 64,000 | 113,500 | 177,500 |
| FUND BALANCES AT END OF YEAR | \$ 139,270 | \$ 89,000 | \$ 228,270 |

The accompanying notes are an integral part of this statement.

INDIRECT ATTORNEYS OF THE SECOND JUDICIAL DISTRICT
 Parish of Bienville, Calcasieu 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, 1991

| | General Fund | | | Special Revenue Funds | | |
|---|------------------|------------------|------------------------------------|-----------------------|------------------|------------------------------------|
| | Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Contributions | \$ 10,475 | \$ 77,864 | \$ 67,389 | \$ 42,000 | \$ 42,000 | \$ - |
| Federal grants | 7,627 | 63,547 | (55,920) | 285,540 | 271,175 | (14,365) |
| State grants | 24,500 | 24,764 | 264 | - | - | - |
| L.A.C. (miscellaneous) | 49,262 | 47,681 | (1,581) | - | - | - |
| Interest | 1,000 | 1,004 | 4 | 1,000 | 760 | (240) |
| Other | 200 | (227) | (427) | - | - | - |
| Total revenues | 106,144 | 215,567 | (90,577) | 328,540 | 356,935 | (28,395) |
| EXPENDITURES | | | | | | |
| Automobiles | 1,000 | 1,000 | (1,000) | - | - | - |
| Advertising | 475 | 830 | 355 | - | - | - |
| Association dues | 2,175 | 1,638 | 537 | - | - | - |
| Contracted services | 4,000 | 4,000 | (2,000) | 1,000 | 1,000 | - |
| Hours and subscriptions | 2,000 | 2,115 | 115 | - | - | - |
| Insurance | 1,000 | 1,193 | 193 | 42,040 | 44,144 | (2,104) |
| L.A.C. | 44,444 | 47,681 | 3,237 | - | - | - |
| Legal and accounting | 26,175 | 26,000 | 175 | 1,000 | 1,000 | - |
| Library | 4,000 | 4,382 | 382 | - | - | - |
| Office supplies | 14,224 | 12,110 | 2,114 | 15,440 | 15,440 | - |
| Per-trial interventions | 27,000 | 26,565 | 435 | - | - | - |
| Repairs | 1,000 | 811 | 189 | 1,000 | 1,000 | - |
| Repairs and maintenance | 2,000 | 4,175 | 2,175 | 2,000 | 2,475 | (475) |
| Salaries and related benefits | 71,000 | 61,887 | 9,113 | 285,540 | 281,240 | 4,300 |
| Seminars and conferences | 12,100 | 11,750 | 350 | 1,000 | 1,000 | - |
| Supplies | 1,000 | 838 | 162 | - | - | - |
| Telephone and utilities | 11,075 | 11,207 | 132 | 14,220 | 14,220 | - |
| Travel | 1,500 | 2,070 | 570 | 4,000 | 5,240 | (1,240) |
| Other | - | 1,417 | 1,417 | - | - | - |
| Capital outlay | 2,000 | 2,000 | - | 2,700 | 2,700 | - |
| Total expenditures | 211,249 | 218,731 | (7,482) | 351,960 | 344,808 | (7,152) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,895 | (3,164) | 5,059 | (23,420) | 12,127 | (35,547) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | | 54,774 | 54,774 | | | |
| Operating transfers out | | | | | (54,774) | (54,774) |
| Total other financing sources (uses) | 0 | 54,774 | 54,774 | 0 | (54,774) | (54,774) |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | 1,895 | 11,208 | 9,313 | (23,420) | (42,651) | (19,337) |
| FUND BALANCES AT BEGINNING OF YEAR | 26,544 | 24,895 | 11,649 | 45,864 | 110,540 | 64,676 |
| FUND BALANCES AT END OF YEAR | \$ 28,439 | \$ 36,103 | \$ 7,664 | \$ 22,444 | \$ 67,889 | \$ 45,445 |

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 1997

INTRODUCTION

The Second Judicial District is composed of the parishes of Bienville, Calcasieu 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.

I. 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, or trusts, 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 have 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 aggregating 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, Calcasieu 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 15:871.1, which provides that 12 percent of the fees collected and funds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

Special Revenue Funds

Title IV-B Special Revenue Fund

The Title IV-B Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1978, 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 obligations 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 46:15, 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.

FINANCIAL FUND TYPE

Financial funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. The financial 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, Calcasieu 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 refers 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 sheriff's 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-B Special Revenue Fund consist of 1) a partial reimbursement of expenditures reported to the Department of Social Services and recited by the government agency, and 2) incentives received from the Department of Social Services which are a percentage of child support collections. Therefore, amounts recited 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 originally adopted.

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

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commit events 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, 1997, 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 (depreciated) in the general fixed assets account group. Public domain or infrastructure 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 days not accumulated. 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 108, 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 COLUMN ON STATEMENTS

The total column 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, 1997, the District Attorney has cash and cash equivalents (bank balances) totaling \$285,662 as follows:

| | | |
|--|----|----------------|
| Demand deposits including interest-bearing | \$ | 182,200 |
| Party cash | | 200 |
| Time deposits | | <u>103,262</u> |
| Total | \$ | <u>285,662</u> |

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Calcasieu 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, 1997, the District Attorney has \$217,000 in deposits (related bank balances). These deposits are maintained in six financial institutions and are secured from risk by \$217,000 of federal deposit insurance.

3. RECEIVABLES

The following is a summary of receivables at December 31, 1997:

| Class of Receivable | General Fund | Special Revenue Funds | Total |
|--|-------------------------|-------------------------|--------------------------|
| Due from other governments: | | | |
| Due from federal grants | \$ | \$ 36,123 | \$ 36,123 |
| Due from state grants | 3,607 | | 3,607 |
| Due from criminal court fund | 60,685 | | 60,685 |
| Commissions collected by parish sheriffs | 4,453 | | 4,453 |
| Accounts receivable | <u>7,233</u> | | <u>7,233</u> |
| Total | <u>\$ 75,978</u> | <u>\$ 36,123</u> | <u>\$ 112,101</u> |

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | Balance January 1, 1997 | Additions | Deletions | Balance December 31, 1997 |
|-------------------------|----------------------------|------------------------|--------------------|------------------------------|
| Equipment and furniture | \$ 315,064 | \$ 5,797 | | \$ 320,861 |
| Total | <u>\$ 315,064</u> | <u>\$ 5,797</u> | <u>NONE</u> | <u>\$ 320,861</u> |

5. PENSION PLAN

DISTRICT ATTORNEY'S 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, Calcasieu and Jackson, Louisiana
Notes to the Financial Statements (Continued)

A. 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 40 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 20 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 20 or more years of service. Any member with at least 10 years of service may retire at age 50 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 10 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, 1189 Doucette Street, New Orleans, Louisiana 70116-1899, or by calling (504) 547-5551.

Funding Policy. Plan members are required by state statute to contribute 3.0 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. For 1997, the rates were 2.58 percent of January - June payroll and 1.28 percent of July - December payroll. Contributions to the System also include 3 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, 1997, 1998, and 1999, were \$1,968, \$1,976, and \$2,191, respectively, equal to the required contributions for each year.

PARISHIAL EMPLOYERS RETIREMENT SYSTEM (PERES)

Plan Description. Substantially all employees of the District Attorney, Second Judicial District are members of the Parishial Employers Retirement System of Louisiana (System), a multiple employer (non-union), 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, Calcasieu and Jackson, Louisiana
Notes to the Financial Statements (Continued)

5. PENSION PLAN (Continued)

PARISHIAL EMPLOYEES RETIREMENT SYSTEM (PERRS) (Continued)

All permanent employees working at least 20 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, 1989, the benefit is equal to one per cent of final average salary plus \$14 for each year of supplemental-plan-only service earned before January 1, 1989.

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 fulfill any other 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 Parishial Employees' Retirement System, Post Office Box 144615, Baton Rouge, Louisiana 70899-4615, or by calling (504) 328-1361.

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 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 Calcasieu 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 11:365, 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, 1995, 1996, and 1998, were \$19,781, \$17,127, and \$17,274, 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, Calcasieu 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. 43.763. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 1997, the District Attorney for the Second Judicial District expended \$166,123 and \$66,884 in reimbursement and incentive payments, respectively.

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Calcasieu 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.

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

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 counsel, 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, Calcasieu and Jackson, Louisiana
Supplemental Information Schedule
For the Year Ended December 31, 1997

SPECIAL REVENUE FUNDS

Title IV-D Special Revenue Fund

The Title IV-D Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 107 of 1979, 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.

Workless Check Collection Fee Special Revenue Fund

The Workless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 46:15, 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, Calcasieu and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet, December 31, 1997

| | Title IV-D Fund | Worthless Checks Collection Fee Fund | Total |
|---|--------------------|--|------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 45,492 | \$ 16,633 | \$ 62,125 |
| Receivables | 16,122 | | 16,122 |
| Other assets | 498 | | 498 |
| TOTAL ASSETS | \$ 62,112 | \$ 16,633 | \$ 78,745 |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts payable | \$ 1,278 | \$ | \$ 1,278 |
| Payroll deductions and withholdings payable | 7,826 | | 7,826 |
| Total liabilities | 9,104 | 00000 | 9,104 |
| Fund Equity - fund balances: | | | |
| Unreserved - undesignated | 50,219 | 16,633 | 66,852 |
| Total fund equity | 50,219 | 16,633 | 66,852 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 60,015 | \$ 16,633 | \$ 76,648 |

DISTRICT ATTORNEY OF THE SIXTH JUDICIAL DISTRICT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
SPECIAL REVENUE FUNDS

Schedule 1

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended December 31, 1997

| | Title IV-D Fund | Marshall Clark Collection Fee Fund | Total |
|---|--------------------|--|------------------|
| REVENUES | | | |
| Commissions | \$ | \$ | \$ 41,848 |
| Federal grants | 127,039 | | 127,039 |
| Interest earnings | 768 | | 768 |
| Total revenues | <u>127,844</u> | <u>41,848</u> | <u>169,692</u> |
| EXPENDITURES | | | |
| Contracted services | 1,608 | | 1,608 |
| Insurance | 14,219 | | 14,219 |
| Legal and accounting | 1,806 | | 1,806 |
| Office supplies | 8,098 | 7,256 | 15,354 |
| Rentals | 7,488 | | 7,488 |
| Repairs and maintenance | 9,419 | | 9,419 |
| Salaries and related benefits | 181,246 | | 181,246 |
| Seminars and conferences | 3,832 | | 3,832 |
| Telephone and utilities | 14,850 | | 14,850 |
| Travel | 8,918 | | 8,918 |
| Capital outlay | 5,799 | | 5,799 |
| Total expenditures | <u>284,852</u> | <u>7,256</u> | <u>292,108</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>(26,708)</u> | <u>24,792</u> | <u>8,884</u> |
| OTHER FINANCIAL SOURCES (USES) | | | |
| Operating transfers out | (2,157) | (24,631) | (26,771) |
| Total other financing sources (uses) | <u>(2,157)</u> | <u>(24,631)</u> | <u>(26,771)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER OVER (UNDER) EXPENDITURES AND OTHER USES | <u>(28,865)</u> | <u>(17,839)</u> | <u>(46,704)</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>79,076</u> | <u>34,464</u> | <u>113,540</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 50,211</u> | <u>\$ 16,625</u> | <u>\$ 66,836</u> |

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
Parishes of Bienville, Calcasieu and Jackson, Louisiana
Supplemental Information Schedules
For the Year Ended December 31, 1997

AGENCY FUNDS

ASSET SEIZURE FUND

The Asset Seizure Agency Fund accounts for the seizure and forfeiture of assets obtained through judgments. 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 judgments 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 15:571.01.

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 12:1062.1.

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

Combining Balance Sheet, December 31, 1997

| | Asset Source Fund | Fund Proceeds Fund | Total |
|--------------------------------|----------------------|-----------------------|------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 63,797 | \$ | \$ 63,797 |
| Due from other funds | | 4,675 | 4,675 |
| TOTAL ASSETS | <u>63,797</u> | <u>4,675</u> | <u>68,472</u> |
| LIABILITIES | | | |
| Liabilities | | | |
| Seized assets pending judgment | 56,571 | | 56,571 |
| Due to other funds | 7,025 | | 7,025 |
| Due to other agencies | | 4,675 | 4,675 |
| TOTAL LIABILITIES | <u>\$ 63,797</u> | <u>\$ 4,675</u> | <u>\$ 68,472</u> |

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

Combining Schedule of Changes in Deposits Due Officers - Agency Funds
For the Year Ended December 31, 1997

| | Asset Seizure Agency Fund | Fund Proceeds Agency Fund | Total |
|--|------------------------------|------------------------------|------------------|
| DEPOSIT BALANCES AT BEGINNING OF YEAR | \$ 52,284 | NONE | \$ 52,284 |
| ADDITIONS | | | |
| Seized assets | 16,857 | | 16,857 |
| Appearance bond forfeitures | | 28,800 | 28,800 |
| Two percent bond proceeds | | 69,428 | 69,428 |
| Interest | 1,282 | | 1,282 |
| Total Deposits Available | <u>69,564</u> | <u>69,428</u> | <u>139,224</u> |
| DEDUCTIONS | | | |
| Bienville Parish: | | | |
| Clerk of Court | 648 | | 648 |
| Sheriff | 6,877 | 4,865 | 18,945 |
| Calcasieu Parishes: | | | |
| Clerk of Court | 530 | | 530 |
| Sheriff | | 18,265 | 18,265 |
| Jackson Parishes: | | | |
| Sheriff | | 2,922 | 2,922 |
| Second Judicial District: | | | |
| Criminal Court Fund | 3,486 | 5,800 | 9,486 |
| District Attorney | | 18,255 | 18,255 |
| District Court | | 12,358 | 12,358 |
| Indigent Defender Board | | 16,358 | 16,358 |
| BART | 19 | | 19 |
| Bossier Police Department | 878 | | 878 |
| Metairie Narcotics Task Force | 4,272 | | 4,272 |
| Total Deductions | <u>16,792</u> | <u>68,418</u> | <u>86,012</u> |
| DEPOSIT BALANCES AT END OF YEAR | <u>\$ 63,792</u> | <u>NONE</u> | <u>\$ 63,792</u> |

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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
Bossier, 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, 1995, and have issued our report thereon dated June 19, 1996. 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 one matter 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. Falden & Co.
Certified Public Accountants

Bossier, Louisiana
June 19, 1996

DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT
PARISHES OF BERNIVILLE, CLAIRBORNE AND JACKSON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the 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 BY ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.
3. No instances of noncompliance material to the financial statements of the District Attorney of the Second Judicial District was disclosed during the audit.
4. The District Attorney of the Second Judicial District had no major federal award programs.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

A finding was made concerning budgets in the enclosed management letter. The finding made in the prior audit was considered closed.

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

The District Attorney of the Second Judicial District had no major federal award programs.

**Kenneth D. Folds & Co.,
Certified Public Accountants**

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To the Honorable Walter R. May, Jr., District Attorney
Second Judicial District
Baton Rouge, 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, 1997, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:

- (1) 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,
- (2) 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 provisions. 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, 1997. 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 15, 1998.) This letter does not affect our report dated June 15, 1998, on the financial statements of the District Attorney of the Second Judicial District.

Sincerely,



Kenneth D. Folds & Co., CPAs
June 15, 1998

Budgets

For the year ended December 31, 1997, the District Attorney of the Second Judicial District amended their budget for the 1996-97 Special Revenue Fund which resulted in its ending fund balance being budgeted as a deficit fund balance. Louisiana Revised Statute 49:1389 states the adopted expenditures shall not exceed the total of available funds for the fiscal year.

We recommend that the District Attorney of the Second Judicial District comply with Louisiana Revised Statute 49:1389.

In a letter dated June 23, 1998, management of the District Attorney of the Second Judicial District responded by stating that the budgeted deficit fund balance was strictly an oversight when they amended their budget. Management will ensure that future adopted expenditures will not exceed the total of available funds. Additionally, the management of the District Attorney of the Second Judicial District stated that this oversight did not result in the actual fund balance being in a deficit situation.

Prior Year's Findings

For the year ended December 31, 1996, the District Attorney of the Second Judicial District failed to adequately amend the budgeted expenditures of the General Fund. Corrective action has been taken; this finding is considered closed.