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DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Catahoula and Concordia, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended December 31, 1998
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 auditor, or approved, entity and other appropriate public officials. The report is available for public inspection at the State Reception Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 2, 1999



DISTRICT ATTORNEY OF THE
FIFTH JUDICIAL DISTRICT
Parishes of Concordia and Catahoula, Louisiana
Contents, December 31, 1998

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Independent Auditor's Report

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT**
Parishes of Calcasieu and
Concordia, Louisiana

**MEMBER FIRM OF
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS**

**SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS**

**MEMBER LISTED IN
MEMBERSHIP
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING**

I have audited the general purpose financial statements of the District Attorney of the Seventh Judicial District, a component unit of the Concordia Parish Police Jury, as of December 31, 1998, and for each of the two years then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the District Attorney of the Seventh Judicial District's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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 general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Seventh Judicial District as of December 31, 1998, and the results of its operations for each of the two years then ended in conformity with generally accepted accounting principles.

**THE PROFESSIONAL FIRM,
MEMBER FIRM,
LOUISIANA 71201
PHONE 504-399-8100
TELE FIRM LOUISIANA
1-800-891-2000
FAX 504-399-8000**

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and
Cameron, Louisiana
Independent Auditor's Report,
December 31, 1998

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the District Attorney of the Seventh Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my 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, I have also issued a report dated June 25, 1999 on the District Attorney's compliance with laws, regulations, contracts, and grants, and my consideration of the District Attorney's internal control.



West Monroe, Louisiana
June 25, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT**
Parishes of Calcasieu and
Cameron, Louisiana
ALL FUNDS-TYPES AND ACCOUNT GROUPS

Continued Balance Sheet, December 31, 1998

	GOVERNMENTAL -- FUND TYPE --		PRIMARY FUND-TYPE - SPECIAL	-- ACCOUNT GROUPS --		TOTAL PER PARAGRAPH 1001.7
	GENERAL FUND	SPECIAL REVENUE FUNDS	PROPERTY ACRIFITY FUNDS	GENERAL FUNDS ASSETS	GENERAL LONG TERM LIABILITIES	
ASSETS						
Cash	\$2,229	\$8,348	\$24,596			\$34,969
Receivables	22,172	13,456				35,628
Due from General Fund		68	1,138			1,206
Equipment and fixtures				\$148,896		148,896
Amount to be provided for retirement of long-term obligations					\$24,461	24,461
TOTAL ASSETS	\$24,401	\$21,872	\$25,734	\$148,896	\$24,461	\$244,364
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$18,674	\$400	\$70			\$19,144
Payroll deductions payable	3,438	6,040				9,478
Due to:						
Workmen's check fund	1,138					1,138
TV-D	68					68
Capital lease payable					\$24,461	24,461
Deposits due others	2,187		20,592			22,779
Total Liabilities	24,487	6,040	20,762	\$24,461	24,461	71,651
Fund Equity:						
Investment in general fixed assets				\$148,896		148,896
Fund balance - unreserved - undesignated	6,914	17,328				24,242
Total Fund Equity	6,914	17,328	\$20,762	148,896	\$24,461	172,361
TOTAL LIABILITIES AND FUND EQUITY	\$31,401	\$23,368	\$41,524	\$148,896	\$24,461	\$244,364

The accompanying notes are an integral part of the financial statements.

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT**
 Parties of Calhoun and
 Concordia, Louisiana
**GOVERNMENTAL FUND TYPE -
 GENERAL FUND AND SPECIAL REVENUE FUND**

**Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - Budget
 (GAAP Basis) and Actual
 For the Year Ended December 31, 1998**

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
REVENUES						
Intergovernmental revenues						
Federal grants		547,909		\$143,000	\$141,337	\$1,663
State grants		25,000		11,645	30,099	5,446
Contributions on Fees and Refunds	\$140,000	\$1,734	(\$138,266)			
Fees, charges, and commissions for services	75,000	88,734	13,734		300	300
Other revenues	5,000	5,075	75	300		(300)
Total revenues	<u>225,000</u>	<u>229,799</u>	<u>4,799</u>	<u>155,045</u>	<u>171,736</u>	<u>16,691</u>
EXPENDITURES						
General government - judicial						
Current						
Personal services and related benefits	155,000	123,882	31,118	307,924	256,828	51,096
Operating services	58,800	38,878	19,922	36,771	17,818	19,153
Materials and supplies	7,000	17,132	(10,132)	3,000	4,196	896
Travel and other charges	24,000	13,799	10,201	4,150	5,488	652
Intergovernmental	25,000	28,029	(3,029)			
Debt service		24,899	(24,899)			
Capital outlay		8,787	(8,787)		4,182	(4,182)
Total expenditures	<u>227,800</u>	<u>218,934</u>	<u>8,866</u>	<u>351,845</u>	<u>284,508</u>	<u>67,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>(2,800)</u>	<u>11,865</u>	<u>14,665</u>	<u>(96,800)</u>	<u>(12,772)</u>	<u>83,028</u>
OTHER FINANCING SOURCE (Use)						
Operating transfers in	40,000	41,000	1,000	41,000	58,658	17,658
Operating transfers out	(22,000)	(20,800)	1,200		(15,000)	(15,000)
Total other financing source (use)	<u>18,000</u>	<u>20,200</u>	<u>2,200</u>	<u>41,000</u>	<u>43,658</u>	<u>2,658</u>
EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE						
	<u>None</u>	<u>13,064</u>	<u>13,064</u>	<u>None</u>	<u>2,113</u>	<u>2,113</u>
FUND BALANCES (Method) AT BEGINNING OF YEAR						
	<u>None</u>	<u>16,744</u>	<u>16,744</u>	<u>None</u>	<u>16,792</u>	<u>16,792</u>
FUND BALANCES AT END OF YEAR						
	<u>None</u>	<u>29,808</u>	<u>29,808</u>	<u>None</u>	<u>18,905</u>	<u>18,905</u>

The accompanying notes are an integral part of the financial statements.

**EXTRACT ATTORNEYS OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and
Cassinola, Louisiana
GOVERNMENTAL FUND TYPE -
GENERAL FUND AND SPECIAL REVENUE FUNDS**

**Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
GAAP Basis and Actual
For the Year Ended December 31, 1997**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE: FAVORABLE UNFAVORABLE	BUDGET	ACTUAL	VARIANCE: FAVORABLE UNFAVORABLE
REVENUES						
Intergovernmental revenues:						
Federal grants				570,214	599,364	(29,150)
State grants		124,784	124,784	36,890	36,287	603
Commissions on fees and forfeitures	170,000	87,739	(82,261)			
Fees, charges, and commissions for services	55,500	49,264	(6,236)			
Other revenues	27,800	3,433	(24,367)		784	784
Total revenues	<u>373,000</u>	<u>347,780</u>	<u>(25,220)</u>	<u>607,104</u>	<u>636,355</u>	<u>(70,749)</u>
EXPENDITURES						
General government - judicial:						
Current:						
Personal services and related benefits	88,900	80,434	8,466	209,915	242,619	(32,704)
Operating services	49,100	22,866	26,234	54,050	60,888	(6,838)
Materials and supplies	5,000	12,436	(7,436)	6,000	2,269	3,731
Travel and other charges	15,500	3,678	11,822	6,650	4,865	1,785
Intergovernmental	20,000	21,771	(1,771)			
IRM service		(1,788)	(1,788)			
Capital outlay	21,171	41,796	(20,625)		158	(158)
Total expenditures	<u>210,671</u>	<u>195,244</u>	<u>15,427</u>	<u>266,615</u>	<u>308,630</u>	<u>(42,015)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(73,671)</u>	<u>(52,464)</u>	<u>(21,207)</u>	<u>(59,511)</u>	<u>(72,275)</u>	<u>12,764</u>
OTHER FINANCING SOURCES (Use)						
Operating transfer in	42,000	41,300	(700)	49,407	45,300	(4,107)
Operating transfer out	(24,500)	(24,800)	300	(9,000)	(11,300)	2,300
Increase in capital lease	27,171	27,071				
Total other financing sources (use)	<u>(4,329)</u>	<u>(4,229)</u>	<u>100</u>	<u>40,407</u>	<u>34,000</u>	<u>(6,407)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	<u>None</u>	<u>(7,973)</u>	<u>(7,973)</u>	<u>None</u>	<u>158</u>	<u>158</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>None</u>	<u>1,258</u>	<u>1,258</u>	<u>None</u>	<u>18,084</u>	<u>18,084</u>
FUND BALANCES (Budget) AT END OF YEAR	<u>None</u>	<u>(6,715)</u>	<u>(6,715)</u>	<u>None</u>	<u>18,242</u>	<u>18,242</u>

The accompanying notes are an integral part of the financial statements.

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT**
Parishes of Catahoula and
Concordia, Louisiana

Notes to the Financial Statements
As of and for the two years ended December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 24 of the Louisiana Constitution of 1974, the district attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advice to the grand jury. His 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 parishes of Catahoula and Concordia, Louisiana.

A. REPORTING ENTITY

As governing authorities of the parishes, for reporting purposes, the Catahoula and Concordia Parish Police Juries are considered separate financial reporting entities. The financial reporting entity consists of (a) the primary government (the police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 34 established criteria for determining which component units should be considered part of the Catahoula and Concordia Parish Police Juries for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entities is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- i. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT

Parishes of Catahoula and
Concordia, Louisiana

Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Concordia Parish Police Jury maintains and operates the parish courthouse in which the district attorney's office is located, the district attorney was determined to be a component unit of the Concordia Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The district attorney uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district attorney's current operations require the use of governmental and fiduciary funds, and are described as follows:

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Catahoula and
Concordia, Louisiana
Notes to the Financial Statements (Continued)

Governmental Funds

**General Fund (District
Attorney's Expenses)**

The General Fund was established in compliance with Louisiana Revised Statute 12:571.11, which provides that twelve per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources such as federal and state grants, and fees for services. These revenues are legally restricted, either by grant agreement or state law, to expenditures for specified purposes such as family and child support programs, and specific expenses of the district attorney's office.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, writs, bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. GENERAL FIXED ASSETS
AND LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All fixed assets are valued at actual costs. General fixed assets provided by the Catahoula or Concordia Parish Police Jury are not recorded in the general fixed assets account group. No depreciation has been provided on general fixed assets. General long-term debt, such as capital bonds, are recognized as a liability of a governmental fund only when due.

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Catahoula and
Cassida, Louisiana
Notes to the Financial Statements (Continued)

IX. BASIS OF ACCOUNTING

The financial and 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 for these funds present revenues (i.e., revenues and other financing sources) and expenses (i.e., expenditures and other financing used) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when ascertainable 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. The district attorney uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors.

Grants are recorded when the district attorney is notified by the funds.

Interest income on demand deposits is recorded monthly when the interest is earned and credited to the account.

Substantially all other revenues are recorded when received.

Based on the above criteria, commissions on fines and bond forfeitures, and grants have been treated as measurable to accrual.

Expenditures

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

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and
Cameron, Louisiana
Notes to the Financial Statements (Continued)

Other Financing Sources (Uses)

Increase in capital leases and transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGET PRACTICES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is then legally adopted by the district attorney and amended during the year, as necessary. The budget is established and controlled by the district attorney at the object level of expenditures. The district attorney does not utilize encumbrance accounting. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the district attorney.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH

Under state law, the district attorney may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district attorney may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1998, the district attorney has demand deposits totaling \$34,969.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at December 31, 1998, total \$55,822 and are fully secured by federal deposit insurance.

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT**
Parishes of Catahoula and
Concordia, Louisiana
Notes to the Financial Statements (Continued)

G. VACATION AND SICK LEAVE

Employees of the district attorney's office receive from 5 to 15 days of non-cumulative vacation leave each year, depending on their length of service. Each employee is allowed 10 days of sick leave each calendar year. There is no limit on the amount of sick leave that an employee can accumulate. However, at retirement or termination, the employee forfeits all unused sick leave.

The cost of current leave privileges, computed in accordance with GASB Codification Section 690, is recognized as a current-year expenditure in the General Fund when the leave is actually taken.

H. RISK MANAGEMENT

The district attorney of the seventh judicial district is exposed to various risk of loss related to theft, theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Concordia Parish Police Jury maintains commercial insurance policies covering the district attorney's furnishings, automobile, and professional liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the two years ended December 31, 1998.

**I. TOTAL COLUMNS ON
COMBINED STATEMENTS**

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

2. RECEIVABLES

The following is a summary of receivables at December 31, 1998:

DISTRICT ATTORNEY OF THE
 SEVENTH JUDICIAL DISTRICT
 Parish of Calcasieu and
 Concordia, Louisiana
 Notes to the Financial Statements (Continued)

	General Fund	Title IV-D Special Revenue Fund	Total
Intergovernmental revenues:			
Federal - Department of Health and Human Services	\$3,623	\$13,456	\$17,079
Bond fee	3,865		3,865
Commissions on fines and forfeitures	3,914		3,914
Other	8,772		8,772
Total	<u>\$20,174</u>	<u>\$13,456</u>	<u>\$33,630</u>

3. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in equipment and furniture for the two years ended December 31, 1998, follows:

Balance, January 1, 1997	\$90,658
Additions:	
Year ended December 31, 1997	44,500
Year ended December 31, 1998	13,329
Deletions:	
Year ended December 31, 1997	NONE
Year ended December 31, 1998	<u>(480)</u>
Balance, December 31, 1998	<u>\$148,006</u>

1997 additions include donations of \$1,505 for partial reimbursement on the purchase of a vehicle.

4. PENSION PLAN

The district attorney and assistant district attorneys of the Seventh Judicial District are members of the Louisiana District Attorneys Retirement System. Pension costs of the district attorney's office reported in the accompanying financial statements are for employees participating in the federal Social Security System. All other employees of the district attorney's office are paid by the two governing authorities that comprise the district, and as such, they are members of the Parishial Retirement System of Louisiana. The district attorney's office does not guarantee any of the benefits granted by the Social Security System.

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and
Cassacola, Louisiana
Notes to the Financial Statements (Continued)

8. LEASES

The district attorney's office records items under capital leases as an asset and an obligation in the accompanying financial statements. Capital leases at December 31, 1998, are comprised of the following:

Lease-purchase agreement for the purchase of a 1993 Jeep Grand Cherokee, entered into on August 8, 1996, due in 36 monthly installments of \$376 through April, 1999, with an interest rate of 8.95 per cent per annum.

Lease-purchase agreement for the purchase of computer equipment, entered into on November 20, 1996, due in 36 monthly installments of \$339 through December, 1999, with an interest rate of 8.08 per cent per annum.

Lease-purchase agreement for the purchase of a 1997 Ford Expedition, entered into on April 24, 1997, due in 60 monthly installments of \$535 through May, 2000, with an interest rate of 6.00 per cent per annum.

The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 1998:

Year	Payments
1999	\$13,968
2000	8,304
2001	8,304
2002	<u>2,104</u>
Total minimum lease payments	32,679
Less - amount representing interest	<u>(2,216)</u>
Present value of net minimum lease payments	<u>\$30,463</u>

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligation transactions for the two years ended December 31, 1998:

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Catahoula and
Concordia, Louisiana
Notes to the Financial Statements (Continued)

Long-term obligations at January 1, 1997	\$20,538
Additions:	
1997	21,171
1998	90,901
Deductions:	
1997	(10,265)
1998	<u>(12,730)</u>
Long-term obligations at December 31, 1998	<u>\$24,464</u>

3. CHANGES IN UNSETTLED
DEPOSITS DUE TO OTHERS

A summary of changes in unsettled deposits due to others for the two years ended December 31, 1998, follows:

Balance, January 1, 1997	\$15,550
Additions:	
Year ended December 31, 1997	179,336
Year ended December 31, 1998	222,398
Reductions:	
Year ended December 31, 1997	(131,493)
Year ended December 31, 1998	<u>(20,182)</u>
Balance, December 31, 1998	<u>\$25,599</u>

8. RESTATEMENT OF FUND BALANCES

The December 31, 1998 fund balance of the General Fund and Title IV-D Special Revenue Fund have been restated for correction of payroll liabilities. The following reconciles fund balances as previously reported to beginning fund balances as presented on Statement C:

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT**
 Parish of Calcasieu and
 Concordia, Louisiana
 Notes to the Financial Statements (Continued)

	General Fund	IV-D Special Revenue Funds
Fund Balances as previously reported	\$278	\$13,682
Correction of prior year payroll liabilities	981	2,372
Fund balances at January 1, 1997, revised	<u>\$1,259</u>	<u>\$14,054</u>

9. LITIGATION AND CLAIMS

At December 31, 1995, the district attorney is not involved in any litigation, nor is he aware of any asserted claims.

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

The accompanying financial statements do not include certain expenditures of the district attorney paid out of the funds of the criminal court, the parish police juries, or directly by the state.

11. YEAR 2000 ISSUE (Unaudited)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The District Attorney of the Seventh Judicial District has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the district attorney's office. The district attorney has identified the following systems requiring 2000 remediation: a financial reporting system. All testing and validation of this system has been completed.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully discernible until the year 2000 and thereafter. Management cannot assure that the district attorney is or will be Year 2000 ready, that the district attorney's remediation efforts will be successful in whole or part, or that parties with whom the district attorney does business will be year 2000 ready.

**DISTRICT ATTORNEY OF THE
 SEVENTH JUDICIAL DISTRICT**
 Parishes of Calcasieu and
 Conception, Louisiana
 Notes to the Financial Statements (Continued)

12. FEDERAL FINANCIAL ASSISTANCE

For the two years ended December 31, 1998, the district attorney participated in the following federal financial assistance programs:

FEDERAL AGENCY/ PASS THROUGH GRANTOR NAME/ PROGRAM TITLE	PASS THROUGH GRANTOR'S NUMBER	CFDA NUMBER	REVENUE	
			1997	1998
UNITED STATES DEPARTMENT HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Social Services - Child Enforcement Title IV-D				
	500089	13.763	\$29,364	\$24,137
UNITED STATES DEPARTMENT OF JUSTICE				
Direct program - Federal Diversion				
			\$6,082	\$7,965
Total Federal Financial Assistance			\$35,446	\$32,102

SUPPLEMENTAL INFORMATION SCHEDULES

**DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and
Cadeaux, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
For the Two Years Ended December 31, 1998**

FIDUCIARY FUND TYPE - AGENCY FUNDS

SPECIAL ASSET FORFEITURE AGENCY FUND

The Special Asset Forfeiture Agency Fund accounts for all transactions involving money seized during controlled substance cases, sale of property seized during controlled substance cases and later declared forfeited by the courts, and the distribution of the above funds in accordance with Louisiana Revised Statute 40:2615. The fund was created by the Seizure and Controlled Dangerous Substance Property Forfeiture Act of 1989 and became effective January 1, 1990.

WORTHLESS CHECK FUND

The Worthless Check Unit Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the district attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used only to defray the salaries and 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
SEVENTH JUDICIAL DISTRICT**
Parishes of Concordia and Calcasieu, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, December 31, 1998

	<u>SPECIAL ASSET CONSTITUTION</u>	<u>NONRESIDUAL CASH</u>	<u>TOTAL</u>
ASSETS			
Cash	\$4,515	\$29,881	\$34,396
Due from General Fund		1,128	1,128
	<u>\$4,515</u>	<u>\$31,009</u>	<u>\$35,524</u>
LIABILITIES			
Accounts payable		\$0	\$0
Deposits due others	\$4,515	29,987	34,502
	<u>\$4,515</u>	<u>\$31,009</u>	<u>\$35,524</u>

DISTRICT ATTORNEY OF THE
SEVENTH JUDICIAL DISTRICT
Parishes of Concordia and Catahoula

FINANCIAL FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in
Unsettled Deposits Due to Others
For the year ended December 31, 1998

	SPECIAL ASSET RESERVES	NET CHARGE NET	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR - DUE TO OTHERS	<u>\$4,406</u>	<u>\$18,982</u>	<u>\$23,388</u>
ADDITIONS			
Deposits:			
Interest earned on demand deposits	109		109
Merchant funds		217,794	217,794
Other additions		<u>4,433</u>	<u>4,433</u>
Total additions	<u>109</u>	<u>222,189</u>	<u>222,298</u>
Total	<u>4,515</u>	<u>241,136</u>	<u>245,651</u>
REDUCTIONS			
Deposits sent to:			
District Attorney		49,350	49,350
Payments to merchants		169,516	169,516
Other reductions		<u>1,323</u>	<u>1,323</u>
Total reductions	<u>NONE</u>	<u>220,189</u>	<u>220,189</u>
UNSETTLED DEPOSITS AT END OF YEAR - DUE TO OTHERS	<u>\$4,515</u>	<u>\$20,982</u>	<u>\$25,497</u>

DISTRICT ATTORNEY OF THE
FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland,
and West Carroll, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in
Unsettled Deposits Due to Others
For the Year Ended December 31, 1997

	SPECIAL ASSET RESERVE	NOT CHOICE FUND	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR - DUE TO OTHERS	<u>\$751</u>	<u>\$14,799</u>	<u>\$15,550</u>
ADDITIONS			
Deposits:			
Interest earned on demand deposits	3,655		3,655
Merchant funds		134,930	134,930
Other additions		751	751
Total additions	<u>3,655</u>	<u>135,681</u>	<u>139,336</u>
Total	<u>4,408</u>	<u>136,432</u>	<u>140,840</u>
REDUCTIONS			
Deposits sent to:			
District Attorney		42,100	42,100
Payments to merchants		89,258	89,258
Other reductions		135	135
Total reductions	<u>89,493</u>	<u>131,493</u>	<u>121,086</u>
UNSETTLED DEPOSITS AT END OF YEAR - DUE TO OTHERS	<u>\$4,406</u>	<u>\$18,987</u>	<u>\$23,393</u>

**Independent Auditor's Reports Required
by Government Auditing Standards**

The following independent auditor's report on compliance with laws, regulations, and contracts and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on Compliance and
Internal Control Over Financial Reporting**

**DISTRICT ATTORNEY OF THE SEVENTH
JUDICIAL DISTRICT**

Parishes of Calcasieu and Concordia, Louisiana

VERNON R. COON
MEMBER OF SOCIETY OF
PUBLIC ACCOUNTANTS

SOCIETY OF ACCOUNTANTS
REGISTERED PUBLIC
ACCOUNTANTS

REGISTERED LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

I have audited the general purpose financial statements of the District Attorney of the Seventh Judicial District as of and for the two years ended December 31, 1998, and have issued my report thereon dated June 25, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether the District Attorney of the Seventh Judicial District's general purpose financial statements are free of material misstatement, I 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 amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*. That finding is presented in the accompanying schedule of findings and questioned costs as item 95-3.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney of the Seventh Judicial District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the District Attorney of the Seventh Judicial District's ability to record, process, summarize, and report financial data consistent with the intentions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 95-1.

110 PROFESSIONAL BLDG.
NEW ORLEANS,
LOUISIANA 70002
PHONE 504-584-6141
TELE 504-584-6144
1 800-875-1888
FAX 504-584-6144

DISTRICT ATTORNEY OF THE SEVENTH JUDICIAL DISTRICT

Parishes of Calcasieu and Calumet, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

December 31, 1998

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that the reportable condition described above not to be material weaknesses.

This report is intended for the information of the District Attorney of the Seventh Judicial District. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

June 23, 1999

DISTRICT ATTORNEY OF THE SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and Calumet, Louisiana

Schedule of Findings and Questioned Costs
For the Two Years Ended December 31, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of District Attorney of the Seventh Judicial District.
2. A reportable condition relating to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.
3. One instance of noncompliance material to the financial statements of the District Attorney of the Seventh Judicial District is reported in the Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

98-1 Need to Maintain Proper Support for Expenditures

The district attorney did not maintain original itemized invoices to support charges to his office visa account. For the two years ended December 31, 1998 the district attorney charged \$9,888 to his visa card. Supporting invoices were maintained for only \$2,189 of that amount. Of the remaining \$7,699 of charges, the district attorney provided me with explanations for \$4,587. The explanations appear to represent legitimate expenditures of the district attorney's office. However, I was unable to examine support for these amounts. Original invoices or other original support provides evidence of the district attorney's compliance with state laws and regulations. Therefore, it is impossible to determine whether the district attorney complied with applicable laws and regulations pertaining to the disbursement of these funds.

Recommendation: I recommend that in the future original invoices or other original support be maintained for all expenditures of the district attorney's office to provide evidence of compliance with applicable laws and regulations.

98-2 Violation of Internal Revenue Code, Section 139 (a) (1)

Internal Revenue Code Section 139 (a) (1) states that employer provided meals can be exclude from gross income if the meals are furnished on the business premises of the employee. For the two years ended December 31, 1998, \$3,060 was spent on meals in Vidalia or the surrounding area by an employee of

DISTRICT ATTORNEY OF THE SEVENTH JUDICIAL DISTRICT
Parishes of Catahoula and Concordia, Louisiana

Schedule of Findings and Questioned Costs (Cont'd.)
For the Two Years Ended December 31, 1988

the district attorney's office for himself and other employees. These amounts were not included on the employee W-2 forms as income. By not including these amounts on employee W-2 forms, gross income and employee tax liabilities were understated. The district attorney provided me a list which showed who was present at each meal and the list indicated that the meal was either a working lunch or a business meeting. However, no indication was made as to what was discussed at these working lunches and business meetings. Therefore, I was unable to determine if these expenditures were actually work related.

Recommendation: I recommend that the district attorney's office include employer provided meals on employee W-2 forms or discontinue the practice of paying for meals for employees unless they are out of town on a business related trip or a reason for the meeting/working lunch is provided.

DISTRICT ATTORNEY OF THE SEVENTH JUDICIAL DISTRICT
Parishes of Calcasieu and Concordia, Louisiana

Summary Schedule of Prior Audit Findings
For the Two Years Ended December 31, 1994

**Need to Comply with Louisiana
Local Government Budget Act**

Recommendation: The auditor recommended that in the future, the district attorney should amend the budget as required by the statute.

Status: This finding has been cleared.

Office of the District Attorney

SEVENTH JUDICIAL DISTRICT
CATAHOULA AND CONZUELO PARISHES



John F. Johnson
DISTRICT ATTORNEY

June 26, 1988

ASSISTANTS
Kathleen K. McWhorter
William Thibodeaux
John Korman
Melinda O'Brien

4001 Center Street
Suite 10
Vicksen, La 70097

INTERVALS
David Scott
John Lacombe
Curt Thrush
Hugh Matthews

601-636-
700-636-
601-636-
601-636-

Legislative Audit Advisory Council
David G. Kyle, Secretary
P.O. Box 94587
Baton Rouge, LA 70804-0587

The following is the District Attorney of the Seventh Judicial District's corrective action plan for the audit report issued by Vernon E. Cook, CPA, dated June 14, 1988.

98-1. Need to Maintain Proper Support for Expenditures

In the future original invoices or other original support will be maintained for all expenditures of the District Attorney's Office. My office has set up a new system that will require original supporting documents to be attached to each check voucher issued for payment of expenditures. Also on invoices that I charged to my visa account, an employee will be assigned to contact vendors and obtain copies of supporting documents that I have lost or misplaced.

98-2. Violation of Internal Revenue Code, Section 319 (a) (1)

In the future this office will discontinue paying for meals for employees unless they are out of town on business related trips, or include the meals on M-3's. The practice of paying for employee meals in or near the District Attorney's Office was solely business related, during office business luncheons or meetings with law enforcement officers. The furnishing of meals to employees was random and not to any one employee. I approved this because my office does not furnish or maintain uniforms and other benefits to employees as other agencies in this area do. If I allow this in the future I will include these meals on the employees W-2's.

Respectfully,

John F. Johnson
District Attorney