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DISTRICT ATTORNEY OF THE  
FIRST JUDICIAL DISTRICT  
STATE OF LOUISIANA

Caddo Parish  
December 31, 1998

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 ~~APR 11 1999~~

**DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT  
STATE OF LOUISIANA**

**Caddo Parish  
December 31, 1998**

Table of Contents

Page

General Purpose Financial Statements:

1	Combined Balance Sheet - All Fund Types and Account Groups December 31, 1998	Exhibit A
2	Combined Statement of Revenues, Expenditures and Changes in Fund Balances for the Year Ended December 31, 1998	Exhibit B
3	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual, All Governmental Fund Types for the Year Ended December 31, 1998	Exhibit C
4	Notes to the Combined Financial Statements	
17	Additional Information	
18	Schedule of Expenditures of Federal Awards	Schedule 1
19	Independent Auditor's Report	
21	Report on Compliance and On Internal Control Over Financial Reporting based On an Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	
22	Report on Compliance with Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	
24	Schedule of Findings and Questioned Costs	

**DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT**  
Caddo Parish, Louisiana

Exhibit A

**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**December 31, 1998**  
**with comparative totals for December 31, 1997**

	General Fund (District Attorney's Expenses)	Special Revenue Funds		Agency Funds		Account Groups General Fixed Assets	Totals (Memorandum Only)	
		Title IV-D	Hot Check	Drug Asset Forfeiture	Escrow		1998	1997
<b>Assets</b>								
Cash	\$ 192,524	\$ 86,443	\$ 67,878	\$ 208,701	\$ 724	\$	\$ 556,270	\$ 695,251
Certificates of Deposit	500,000	280,000	425,000				1,205,000	850,000
Receivables								
Pre-Trial Receivables	6,101						6,101	7,190
Fines - Forfeitures	115,583						115,583	114,099
Court Costs	10,658						10,658	9,972
Due from State of Louisiana								
IV D Incentive							-	9,316
IV D Reimbursement		89,108					89,108	58,548
Other Grants	45,257						45,257	18,107
Other Funds							-	31,531
Other	3,450			7,490			10,940	8,628
Siezed Property				77,072			77,072	95,817
Property and Equipment						410,317	410,317	276,213
<b>Total Assets</b>	<b>\$ 873,573</b>	<b>\$ 455,551</b>	<b>\$ 492,878</b>	<b>\$ 293,263</b>	<b>\$ 724</b>	<b>\$ 410,317</b>	<b>\$ 2,526,306</b>	<b>\$ 2,174,672</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Payables	\$ 338,990	\$ 46,021	\$ 261	\$ 293,263	\$ 724	\$	\$ 679,259	\$ 736,011
Due Other Funds	-						-	31,531
Due to Related Parties	37,165						37,165	
<b>Total Liabilities</b>	<b>376,155</b>	<b>46,021</b>	<b>261</b>	<b>293,263</b>	<b>724</b>	<b>-</b>	<b>716,424</b>	<b>767,542</b>
<b>Fund Balances</b>								
Investment in General Fixed Assets						410,317	410,317	276,213
Unreserved and Undesignated	497,418	409,530	492,617	-	-	-	1,399,565	1,130,917
<b>Total Fund     Balances</b>	<b>497,418</b>	<b>409,530</b>	<b>492,617</b>	<b>-</b>	<b>-</b>	<b>410,317</b>	<b>1,809,882</b>	<b>1,407,130</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 873,573</b>	<b>\$ 455,551</b>	<b>\$ 492,878</b>	<b>\$ 293,263</b>	<b>\$ 724</b>	<b>\$ 410,317</b>	<b>\$ 2,526,306</b>	<b>\$ 2,174,672</b>

The accompanying notes are an integral part of this statement

**DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT**  
Caddo Parish, Louisiana

Exhibit B

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**for the Year ended December 31, 1998**  
**with comparative totals for the Year Ended December 31, 1997**

	General Fund (District Attorney's Expenses)	Special Revenue Funds		Totals (Memorandum Only)	
		Title IV-D	Hot Check	1998	1997
<b>Revenue</b>					
Federal Financial Assistance	\$ 176,441	\$ 592,072	\$	\$ 768,513	\$ 622,939
Fines, Fees & Bonds Forfeiture	272,124			272,124	183,004
Court Cost Fees	65,469			65,469	71,162
Interest Income	22,836	10,192	15,883	48,911	51,554
Intake Fees	90,618	2,541		93,159	62,808
Drug Asset Forfeiture	30,327			30,327	32,911
Collection Fees			241,423	241,423	221,017
Other	54,590		617	55,207	44,249
<b>Total Revenue</b>	<u>712,405</u>	<u>604,805</u>	<u>257,923</u>	<u>1,575,133</u>	<u>1,289,644</u>
<b>Expenditures</b>					
Salaries	126,908	353,157		480,065	354,734
Benefits	89,421	32,237		121,658	218,434
Telephone and Communication	13,752	839		14,591	44,963
Travel	42,385	3,292		45,677	56,409
Office supplies	47,184	14,908	624	62,716	56,413
Office Equipment	54,070	26,218		80,288	91,671
Copiers and Copier Supplies		5,276	31,170	36,446	37,020
Equipment Maintenance		3,300		3,300	3,002
Other	41,047	14,552		55,599	157,931
Auto & Parking Allowance	54,952	5,040		59,992	51,856
Contingency	4,148			4,148	-
Auto Maintenance	4,328			4,328	3,584
Dues and Assessments		1,055	40,073	41,128	30,036
Professional	79,404	6,785	25,820	112,009	71,908
Insurance				-	2,703
Computer System - Parish	54,845			54,845	39,793
Unemployment Claims				-	1,572
Rent	27,980	32,160		60,140	41,215
Publications	28,160		1,636	29,796	19,948
Registration				-	2,055
Vehicle purchase	16,981			16,981	-
Postage			22,778	22,778	19,534
<b>Total Expenditures</b>	<u>685,565</u>	<u>498,819</u>	<u>122,101</u>	<u>1,306,485</u>	<u>1,304,781</u>
Excess (Deficiency) of Revenue Over Expenditures	26,840	105,986	135,822	268,648	(15,137)
Beginning Fund Balance	<u>470,578</u>	<u>303,544</u>	<u>356,795</u>	<u>1,130,917</u>	<u>1,146,054</u>
Ending Fund Balance	\$ <u>497,418</u>	\$ <u>409,530</u>	\$ <u>492,617</u>	\$ <u>1,399,565</u>	\$ <u>1,130,917</u>

The accompanying notes are an integral part of this statement.

# DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT

Caddo Parish, Louisiana

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual All Governmental Fund Types for the Year ended December 31, 1998

Exhibit C

	General Fund			Special Revenue Funds			Totals		
	(District Attorney's Expenses)			Title IV-D			(Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenue									
Federal Financial Assistance	\$ 188,248	\$ 176,441	\$ (11,807)	\$ 512,045	\$ 592,072	\$ 80,027	\$ -	\$ 768,513	\$ 68,220
Fines & Bonds Forfeiture	185,643	272,124	86,481	-	-	-	-	272,124	86,481
Court Cost Fees	69,990	65,469	(4,521)	10,150	10,192	42	2,693	65,469	(4,521)
Interest Income	28,107	22,836	(5,271)	2,750	2,541	(209)	-	48,911	(2,536)
Intake Fees	60,993	90,618	29,625	-	-	-	-	93,159	29,416
Drug Asset Forfeiture	28,599	30,327	1,728	-	-	-	-	30,327	1,728
Collection Fees	-	-	-	249,782	241,423	(8,359)	617	241,423	(8,359)
Other	50,000	54,590	4,590	-	-	-	617	55,207	5,207
Total Revenue	611,580	712,405	100,825	524,945	604,805	79,860	257,923	1,575,133	175,636
Expenditures									
Salary	-	126,908	(126,908)	404,298	353,157	51,141	-	480,065	(75,767)
Benefits	107,323	89,421	17,902	84,098	32,237	51,861	-	121,658	69,763
Telephone and Communication	43,016	13,752	29,264	7,500	839	6,661	-	14,591	35,925
Travel	50,071	42,385	7,686	10,685	3,292	7,393	-	45,677	15,079
Office Supplies	35,746	47,184	(11,438)	12,818	14,908	(2,090)	624	62,716	(14,152)
Office Equipment	55,500	54,070	1,430	25,383	26,218	(835)	-	80,288	595
Copiers and Copier Supplies	-	-	-	7,221	5,276	1,945	-	36,446	4,245
Equipment Maintenance	56,031	41,047	14,984	4,275	3,300	975	2,300	3,300	50,975
Other	51,156	54,952	(3,796)	150	14,552	(14,402)	50,000	81,731	26,132
Auto Allow - Parking	-	-	-	9,360	5,040	4,320	25,550	60,516	524
Dues	48,000	4,148	(43,852)	800	1,055	(255)	(9,082)	41,128	(9,337)
Contingency	455	79,404	(78,949)	50,000	6,785	50,000	-	50,000	45,852
Professional	4,519	4,328	191	2,239	2,239	-	(11,652)	4,148	(40,291)
Insurance	15,726	54,845	(39,119)	-	-	-	-	2,694	2,694
Auto Maintenance	2,550	27,980	(25,430)	30,300	32,160	(1,860)	-	4,328	191
Computer System - Parish	20,928	28,160	(7,052)	-	-	-	-	15,726	(39,119)
Unemployment Claims	23,431	16,981	6,450	-	-	-	-	54,845	(39,119)
Rent	18,500	18,500	-	23,431	23,431	-	-	2,550	2,550
Publications	-	-	-	30,300	1,636	(1,636)	-	60,140	(8,912)
Vehicle Purchase	-	-	-	-	-	-	1,636	29,796	(6,365)
Postage	-	-	-	23,446	22,778	668	-	18,500	1,519
Total Expenditures	532,952	685,565	(152,613)	658,677	498,819	159,858	177,625	1,369,254	62,769
Excess (Deficiency) of Revenue Over Expenditures	\$ 78,628	\$ 26,840	\$ (51,788)	\$ (133,732)	\$ 105,986	\$ 239,718	\$ 85,347	\$ 30,243	\$ 238,405
Beginning Fund Balance		470,578			303,544		356,795	1,130,917	
Ending Fund Balance		\$ 497,418		\$ 409,530	\$ 409,530		\$ 492,617	\$ 1,399,565	

The accompanying notes are an integral part of this statement



**DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT**  
**STATE OF LOUISIANA**  
Caddo Parish

Notes to the Combined Financial Statements  
as of and for the Year Ended December 31, 1998

**Introduction**

The Louisiana Constitution of 1974, Article V, Section 14 created the judicial districts of the State, among them the First Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts, and sets forth the duties of the office. Louisiana R. S. 16:1 establishes a district attorney for each of the Judicial District Attorney's offices. The First Judicial District Attorney exists and operates in accordance with the authorities cited.

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the district attorney has charge of every criminal prosecution by the state 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.

Caddo Parish comprises the First Judicial District, and the First Judicial District Attorney's office is located in Shreveport.

The First Judicial District Attorney's office employs a total of 84 persons. Thirty-one (31) of these employees are attorneys, including the district attorney himself. Ten (10) of these employees are investigators, and the other forty-three (43) are administrative and clerical personnel.

**Note 1      Summary of Significant Accounting Policies**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

**A. Basis of Presentation**

The accompanying general purpose financial statements of the District Attorney of the First 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**

As the governing authority of the parish, for reporting purposes, the Caddo Parish Commission is the financial reporting entity for Caddo Parish. The financial reporting entity consists of (a) the primary government, the parish commission, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Caddo Parish Commission for financial reporting purposes.

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the parish commission 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 parish commission.
2. Organizations for which the parish commission does not appoint a voting majority but are fiscally dependent on the parish commission.
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 parish commission has (a) a fiscal responsibility to the district attorney, and (b) the potential for the district attorney to provide specific financial benefits to or to impose specific financial burdens on the parish commission, the district attorney was determined to be a component unit of the Caddo Parish Commission, 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 parish commission, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### **C. 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 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 as governmental funds. 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 (District Attorney's Expenses)**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenses of his office. Louisiana Revised Statute 16:16, which became effective August 30, 1986, provides that a court cost of \$10.00 be collected to defray expenses of the district attorney, in addition to all other fines, costs or forfeitures lawfully imposed. Louisiana Revised Statute 16:16.1, which became effective in 1997, provides that an additional court cost of \$10.00 be collected to defray expenses of the district attorney, in addition to all other fines, costs or forfeitures lawfully imposed.

As of September 1, 1994, the Louisiana Revised Statute 15:571.11 provided that all judgments of bond forfeiture will be paid to the district attorney. The district attorney will distribute these funds, thirty percent (30%) of which the district attorney will receive, to be used in the general operating account.



As of June 22, 1993, the Louisiana Revised Statute 22:1065.1 provided that there shall be a premium on all commercial surety underwriters who write criminal bail bonds in the state of Louisiana. The District Attorney will distribute these funds, twenty-five percent of which the District Attorney will receive to be used in the General Operating account.

The District Attorney also receives funding to reimburse expenditures of various programs. These programs include the Victim Assistance, Court Delay Reduction (Juvenile Investigator), and Pre-Trial Intervention. Funding for these programs is made on a reimbursement basis for expenditures incurred in the performance of these programs.

Also included are United States Department of Agriculture reimbursements of no less than seventy-five percent of the cost of State's food stamp fraud prosecution. This program is funded through the Louisiana Department of Social Services, Office of Eligibility Determinations under Section 16(a) and 16(c) of the Food Stamp Act of 1977.

Pursuant to Louisiana R. S. 23:1714, as amended by Act 442 of the 1989 regular session, the Louisiana Department of Employment and Training shall assess a penalty on amounts of overpaid unemployment insurance accounts where legal collection efforts are pursued. Effective January 1, 1990, this agency shall assess a penalty on the total overpayment debt that is not repaid to the agency at the time legal action to recover the overpayment commences. The Louisiana Department of Employment and Training shall pay the prosecuting authority ten percent (10%) of the money they recover. Should the prosecutor collect the entire amount, an additional five percent (5%) will be remitted. Payments received from this program are included in this fund.

#### **Title IV-D Fund - Special Revenue Fund**

The Special Revenue Fund consists of incentive payments and reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

#### **Hot Check Fund - Special Revenue Fund**

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

#### **Drug Asset Forfeiture - Agency Fund**

Louisiana Revised Statute Title 40 Chapter 26 "Seizure and Controlled Dangerous Substances Property Forfeiture Act of 1989" was implemented January 1, 1990. The Drug Asset Forfeiture Fund was established for the allocation and disposition of property obtained under the provisions of the above chapter. The district attorney may (1) retain property for official use or transfer the custody to any local, state or federal agency; (2) destroy or use for investigative purposes, any illegal or controlled substances or other contraband, upon the written approval of the district attorney after not less than twenty days after seizure; and (3) authorize a public sale without appraisal of that which is not required by law to be destroyed and which is not harmful to the public.

Property is distributed by court order first to satisfy any security interest or lien; second to reimburse expenses of seizure; and the balance shall be allocated as follows:



60% to law enforcement agency(s) making the seizure,  
20% to the criminal court fund,  
20% to district attorney's twelve percent fund

These proceeds are to be used to further and enhance drug law enforcement. The district attorney is required to make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. This fund is subject to public audit.

Agency funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations.

#### **Court Escrow and Victim Restitution- Agency Funds**

The district attorney holds other funds in escrow for the Court. These funds arise from forfeitures and fines under appeal, restitution payments to victims, and other similar situations. None of these funds have drug related origins, and thus are not a part of the drug asset forfeiture fund. The district attorney maintains these funds in escrow until the courts provide orders for their disposition or otherwise directed for victim restitution.

#### **D. Fixed Assets and Long-Term Liabilities**

Those fixed assets purchased with reimbursed funds from the Title IV-D program vest with the state upon acquisition. Prior to 1994, all fixed assets purchased by the district attorney's office are owned by the Caddo Parish Commission. Beginning in 1994, assets purchased with special funds available to the District Attorney are separately accounted for as owned by the District Attorney. These assets, however, are also included in the General Fixed Assets Group of the Caddo Parish Commission. Purchased fixed assets are stated at historical cost. Donated fixed assets, if any, will be valued at fair market value at the date of donation. Fixed assets are recorded in the General Fixed Asset Group and are not depreciated.

The account group is not a "fund." It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

There are no long-term liabilities at December 31, 1998.

#### **E. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental and agency 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 both governmental 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. These funds use the following practices in recording revenues and expenditures:

##### **Revenues**

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgment of Forfeiture is received. Court costs and fees provided for in Louisiana Statutes are recorded as received in cash. Collection fees for worthless checks are recorded as received in cash, as are the collection fees for the prosecution of unemployment

insurance and food stamp fraud cases. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as deferred revenues until earned.

### **Expenditures**

Expenditures are generally recorded and reported when the related fund liability is both incurred and measurable. Salaries and related payroll costs are recorded as they are incurred. Rent, telephone costs, and other expenses are recorded as they become due or incurred and are measurable.

### **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). These transactions are recorded as they occur.

## **F. Budgetary Practices**

The district attorney utilizes the following budgetary practices:

The budgetary process begins with the administrator estimating the revenues expected to be received during the fiscal year. These revenue estimates are then used by the district attorney and administrator to set budgetary guidelines in preparing appropriations. Proposed budgets are then prepared for publication and eventual adoption.

The proposed budgets for the calendar year 1998 were published in The Shreveport Times on November 17, 1997. The proposed budgets were available for inspection by the public during normal business hours on December 2, 1997 when a public hearing was held. At the conclusion of the public hearing, the proposed budget was adopted. On December 23, 1997, the District Attorney's Certificate of Compliance and implementation of the budget was published in The Shreveport Times.

Once the budgets are approved, they can only be amended by the District Attorney. The District Attorney's Administrator is authorized to make minor changes within line items. There was one amendment or change to the 1998 budgets. All budget appropriations lapse at year-end. The budgets are prepared and presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (GAAP). The expenses of the District Attorney's office paid directly by the State of Louisiana are not included in the budgets. Expenses of the District Attorney's office paid directly by the Caddo Parish Commission are also excluded from the budgets except for those amounts reimbursed to the Commission under the Title IV-D program and other reimbursed programs and a reimbursement amount that is not specific as to purpose.

The entire budgetary process is governed by, and conforms to, Louisiana R. S. 39:1308.

## **G. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in governmental funds.

Based on the size of the accounts and the methods used for payments, the District Attorney does not employ encumbrance accounting.

## **H. Cash, Savings and Certificates of Deposit**

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

## **I. Vacation and Sick Leave**

The district attorney has a formal policy relating to vacation and sick leave. All employees appointed to full-time positions may earn from 12.5 to 20 days of annual leave and from 13 to 24.38 days of sick leave per year depending on length of service. Members of the Parochial Retirement System may accrue un-used amounts of vacation and sick leave for the purpose of using it in their retirement calculation. The District Attorney Retirement System does not allow un-used vacation or sick leave to be used as service time and therefore attorneys are paid for a limited portion of this time at their time of departure, dependant upon length of service.

## **J. Fund Equity**

### **Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

### **Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

## **K. Total Columns on Statements - (Memorandum Only)**

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

## **L. Risks and Uncertainties**

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 expenses during the reporting period. Actual results could differ from those estimates.



## **Note 2 Cash and Certificates of Deposits**

At December 31, 1998, the District Attorney had cash accounts (book balances) as follows:

Interest bearing demand deposits (cash)	\$ 556,270
Time deposits with maturities less than ninety days from original date	<u>-</u>
Total	<u>\$ 556,270</u>

At December 31, 1998, the District Attorney had certificates of deposit (book balances) as follows:

Time deposits with maturities of more than ninety days from original date	\$ <u>1,205,000</u>
---------------------------------------------------------------------------	---------------------

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. 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, 1998, the district attorney had \$2,337,082 in deposits (collected bank balances). These deposits were secured from risk by \$100,000 of federal deposit insurance and \$1,157,340 of pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB Category 3). This resulted in funds that were not secured of approximately \$1,080,000. This was discovered by the District Attorney and corrected by the depository bank, City Bank and Trust Company of Shreveport, in early February 1999. The management of the District Attorney believe that the credit strength of the bank is strong.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district attorney that the fiscal agent has failed to pay deposited funds upon demand.

## **Note 3 Pension Plan**

### **Louisiana District Attorneys Retirement System**

*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.

*Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a three percent (3%) benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a three percent (3%) 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 three percent (3%) benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to three percent (3%) of the member's average final compensation multiplied by the number of years of his membership service, not to exceed one hundred percent (100%) 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 three and one-half percent (3.5%) of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced three percent (3%) for each year the member retires in advance of normal retirement age. Benefits may not exceed one hundred percent (100%) of average final compensation. The System also provides death and disability benefits. Benefits are established by state statute.

*Funding Policy.* Plan members are required by state statute to contribute 7.75% and 7.0% for the plan years ending June 30, 1998 and 1997, respectively, of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The current rate is 1.25 percent (for plan fiscal year 1998 and 2.5 percent for plan year 1997) of annual covered payroll. Contributions to the System also include 0.2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute, as provided by Louisiana Revised Statute 11:103. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district attorney's contributions to the System for the year ending December 31, 1998 was \$2,646.

The following provides certain disclosures for the district attorney and the retirement system that are required by GASB Codification Section P20.129:

**Year Ended December 31, 1998**

District Attorney

Total current-year payroll	\$ 2,750,087
Total current-year covered payroll	\$ <u>1,464,265</u>

	Required by Statute		Actual		Actuarially Required	
	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount
Contributions						
Employees	7.75%	50,706	7.75%	41,293	7.75%	50,706
Employers	1.25%	4,089	1.25%	2,646	1.25%	4,089
Total		\$ <u>54,795</u>		\$ <u>43,939</u>		\$ <u>54,795</u>

Percent of employer's actuarially required contribution to all participating employers	6.51%
----------------------------------------------------------------------------------------	-------

**Year Ended June 30, 1997**

Retirement System

Net Assets	\$ 100,506,623
Pension Benefit Obligation	( 80,809,925)
Assets in Excess of Pension Benefit Obligation	\$ <u>19,696,698</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in

accumulating sufficient assets to pay benefits when due, and make comparisons among System and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1998, comprehensive annual financial report. The District Attorney of the First Judicial District does not guarantee the benefits granted by the System.

**Parochial Employees' Retirement System of Louisiana**

The Caddo Commission provides retirement, death, and disability benefits to the District Attorney's non-attorney employees through a pension plan administered by another governmental entity. The plan is the Parochial Employees' Retirement System of Louisiana (Parochial Plan). Substantially all Commission employees are members of this cost-sharing multiple-employer public employee retirement system (PERS). All permanent parish employees who work at least 28 hours per week and are under 60 years of age are required to become members of the plan on the date of employment. Benefit provisions are established in accordance with Louisiana State Statute.

Employees are eligible for retirement if the employee has: (a) 30 years of service, regardless of age, (b) 25 years of service and is at least age 55, or (c) 10 years of service and is at least age 60. The monthly retirement allowance is equal to three percent (3%) of the employee's final compensation multiplied by years of service. Benefits cannot exceed one hundred percent (100%) of the employee's final compensation. Employees become vested in the system after 10 years of service. Benefit provisions are established by Louisiana State Statute.

Upon the death of any Parochial Plan member in active service with five or more years of service and not eligible for retirement, survivor benefits paid are equal to sixty percent (60%) of final compensation for a surviving unmarried spouse with minor children. The benefits will continue as long as the spouse lives and is unmarried or until there are no minor children. For a surviving unmarried spouse with no minor children, the benefits are forty percent (40%) of final compensation upon attainment of age 60 by the spouse, or upon becoming disabled and are payable as long as the spouse lives and is unmarried. For minor children with no parents, the benefits are thirty percent (30%) of final compensation for each child not to exceed sixty percent (60%) in total. For Parochial Plan members who are eligible for retirement, the surviving spouse is eligible for normal retirement benefits.

If a member with at least 5 years of service becomes disabled, he is eligible to receive benefits of three percent (3%) of the member's final compensation multiplied by his years of service. However, the number of years will be considered to be at least 15, or the number of actual years plus additional years to age 60, whichever is less. Benefits cannot exceed one hundred percent (100%) of final compensation.

Covered employees are required to contribute nine and one-half percent (9.5%) of their salary to the Parochial Plan. The Commission is required to contribute seven and three-fourths percent (7.75%) of covered employees' salaries. The employer and employee contribution obligations are established by Louisiana State Statute.

The following provides certain disclosures for the District Attorney and the Parochial Retirement System that are required by GASB Codification Section P20.129:

District Attorney

Contribution rate – employees	9.50%
Total current-year payroll	\$ 2,750,087
Total current-year covered payroll	\$ <u>1,295,822</u>

The following information has been obtained for the Parochial Plan from the latest actuarial information of the Parochial Plan which was December 31, 1997, except for the individual employer (the District Attorney) contribution information, which is an estimate based on the District Attorney's payroll as a percentage of total estimated payroll.

Actuarially determined employers' contribution for 1998 for all employers	\$ 19,298,121
Total estimated payroll	\$ 291,292,401
Employer normal cost as of January 1, 1998	\$ 7,274,335
Amortization payment on unfunded accrued liability	\$ 7,158,870
Estimated actuarially determined employer's contribution for the District Attorney	\$ 100,426
District Attorney's covered payroll	\$ 1,295,822
Percentage of District Attorney contribution requirement to total contribution requirement	0.502%
Employer contributions	\$ 95,798
Employee contributions	\$ 117,424
Percentage of employer contributions to total payroll	5.50%
Percentage of employee contributions to total payroll	9.50%

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Parochial Plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Parochial Plan does not make separate measurements of assets and pension benefit obligations for individual employers.

The pension benefit obligation of the Parochial Plan was computed as part of an actuarial valuation performed as of December 31, 1997. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of eight percent (8%), (b) projected salary increases of five and one-half percent (5.5%), composed of 2.25% merit and 3.25% inflation, (c) annuitant mortality rates of one hundred percent (100%) of 1971 Group Annuity Mortality Table, (d) disabled lives mortality of one hundred seventy-five percent (175%) of 1971 Group Annuity Mortality Table, and (e) all eligible employees will retire by the age of 65.

At December 31, 1997, the date of the latest actuarial valuation, the unfunded pension benefit obligation of the Parochial Plan was \$0, and the unfunded actuarial accrued liability was \$135,517,815, as follows:

<b>Pension benefit obligation</b>	
Active Members	531,033,152
Terminated Members	14,871,900
Retirees and Beneficiaries	336,076,741
	<u>881,981,793</u>
Total pension benefit obligation	881,981,793
Net assets available for benefits, at market value	984,130,819
	<u>                    </u>
Unfunded pension benefit obligation	\$ -



Ten-year historical trend information of the Parochial Plan is available in the separately issued retirement system report. The trend information provides information about progress made in accumulating sufficient assets to pay benefits when due.

The District Attorney of the First Judicial District does not guarantee the benefits granted by the above plans. The District Attorney does not provide any other post employment benefits.

**Note 4 Property and Equipment**

A summary of changes in general fixed assets is as follows:

	Balance December 31, 1997	Additions	Disposal	Balance December 31, 1998
Automobiles	\$ 77,281	\$ 31,981	\$ -	\$ 109,262
Office Equipment and Computers	198,932	115,597	13,474	301,055
Totals	<u>\$ 276,213</u>	<u>\$ 147,578</u>	<u>\$ 13,474</u>	<u>\$ 410,317</u>

**Leases**

The District Attorney has operating leases of the following nature:

Description	Term of Lease(s)	Monthly Lease	Annual Total
Title IV-D Office Space	September 1, 1998 through August 31, 2001	\$ <u>2,866</u>	34,391
Screening Section	November 1, 1998 to October 31, 2001	\$ <u>2,833</u>	33,996
Total Office Space			\$ <u>68,387</u>
Copiers (six leases)	June 30, 1992 through July 31, 2001	\$ <u>1,627</u>	\$ <u>19,527</u>

The minimum annual commitments under noncancelable operating leases for the following fiscal years are as follows:

	Office Space	Equipment	Total
1999	\$ 68,387	\$ 19,527	\$ 87,914
2000	68,387	13,187	81,574
2001	51,263	1,316	52,579
2002 and thereafter	-	-	-
Totals	<u>\$ 188,037</u>	<u>\$ 34,030</u>	<u>\$ 222,067</u>



**Note 5 Agency Funds**

A summary of the transactions in the District Attorney's agency funds for the year ended December 31, 1998 is as follows:

	Escrow Funds			Total
	Drug Asset Forfeiture	Court Escrow	Victim Restitution Escrow	
Beginning fund balance	\$ -	\$ -	\$ -	\$ -
Transfers in (cumulative)	847,287	682	150,741	151,423
Interest earned	-	42	-	42
Distributions, net of distributions payable of \$286,497 in 1998	( 560,790)	-	-	-
Distributions Due to others	( 286,497)	( 724)	( 150,741)	( 150,741)
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 6 Related Party Transactions**

The Caddo Parish Commission funds the District Attorney's office in its General Fund Budget. This funding includes additional assistant district attorneys for the Title IV-D and special drug prosecution units, along with the related fringe benefit costs and other costs of housing, supplies and administration. The District Attorney reimbursed the Parish Commission for a portion of these expenses as follows:

From the District Attorney's general fund:	
For specific expenses	\$ 119,860
From the District Attorney's Title IV-D fund:	
For specific expenses	32,700
From the District Attorney's Hot Check fund:	
For specific expenses	<u>-</u>
 Total Reimbursements	 <u>\$ 152,560</u>

The amounts reimbursed to the commission for specific expenses are shown as expenses of the respective District Attorney's funds in these financial statements. Included in payables at December 31, 1998 are the following amounts due to the Caddo Parish Commission: \$ 37,165 due from the General Fund, \$-0- due from the Title IV-D Fund and \$-0- due from the Hot Check Fund.

**Note 7 Litigation and Claims**

As of December 31, 1998, no suits were pending against attorneys in the office for alleged wrongful acts in the conduct of their duties as prosecutors.

**Note 8 Subsequent Events**

No material event affecting this office has occurred between the close of the fiscal period and issuance of these financial statements.

**Note 9 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 criminal court funds, the Parish Commission, or directly by the State. Those expenditures are summarized as follows:

The Caddo Parish Commission funds the District Attorney's office annually in its General Fund Budget. The District Attorney agrees to reimburse the Commission varying amounts each year based on the requirements of the office and funding level authorized by the Commission. The reimbursements are budgeted for and made from the accounts reported on in this report.

The District Attorney and twenty-three (23) assistants receive a portion of their salaries from the State Division of Administration. The parish subsidizes the balance of the attorneys' salaries in the annual parish budget.

The Criminal Court Fund is controlled and expended jointly between the District Attorney and the First Judicial Court. The District Attorney normally expends funds for transcripts, witness fees and expert witness fees; the balance is utilized by the First Judicial Court.

**Note 10 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 Number 93.563. This program is funded by indirect assistance payments, in the form of both incentive payments (which ceased June 1998) and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 1998 the District Attorney for the First Judicial District expended \$498,819 in reimbursement and incentive payments.

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Social Services and include 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. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

## **Additional Information**

# DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT

Caddo Parish, Louisiana

Schedule 1

## Schedule of Expenditures of Federal Awards for the Year Ended December 31, 1998

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Contract Period	Cash Received	Accrual December 31, 1997	Accrual December 31, 1998	Accrual Basis Grant Revenue	Expenditures
<b>Department of Health and Human Services</b>								
<b>Major Program:</b>								
Louisiana Department								
of Social Services								
Title IV D, Child Support Enforcement	93.563	N/A	07/01/98-06/30/99	\$ 194,693	-	89,108	\$ 283,801	283,801
Title IV D, Child Support Enforcement	93.563	N/A	07/01/97-06/30/98	376,135	67,864		308,271	215,018
Total Major Program				<u>570,828</u>	<u>67,864</u>	<u>89,108</u>	<u>592,072</u>	<u>498,819</u>
<b>Department of Justice</b>								
Louisiana Commission on Law Enforcement and								
Administration of Criminal Justice								
Pre-Trial Diversion Unit	16.579	98-B1-B.20-0012	01/01/98 - 12/31/98	40,085		8,953	49,038	-
Pre-Trial Diversion Unit	16.579	97-B1-B.20-0003	01/01/97 - 12/31/97	7,190	7,190		-	
Victim of Crime Act: Assistance Program	16.575	98-C1-V.4-0347	10/01/98 - 09/30/99	-		8,130	8,130	8,130
Victim of Crime Act: Assistance Program	16.575	97-C1-V.4-0347	10/01/97 - 09/30/98	37,462	8,782		28,680	28,680
Court Delay Reduction Program	16.579	B99-1-001	10/01/98 - 09/30/99	-		7,306	7,306	7,306
Court Delay Reduction Program	16.579	97-B1-B.10-0083	10/01/97 - 09/30/98	21,915	4,870		21,920	21,920
Combo Prosecution	16.588	96-M1-M.02-0449	12/01/97 - 07/31/98	45,374		15,993	61,367	61,367
Total Federal Financial Assistance				<u>\$ 722,854</u>	<u>\$ 88,706</u>	<u>\$ 134,365</u>	<u>\$ 768,513</u>	<u>\$ 675,260</u>

See Accompanying note to Financial Statements



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**Independent Auditor's Report**

HONORABLE PAUL J. CARMOUCHE  
DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Caddo Parish

We have audited the accompanying general purpose financial statements of the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana, as of and for the year ended December 31, 1998, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District Attorney of the First Judicial District, State of Louisiana'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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards, and OMB Circular A-133, 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above include only the financial activities of the District Attorney of the First Judicial District, State of Louisiana. Financial activities of other component units that form the reporting entity are not included. As discussed in Note 1, the general purpose financial statements of the District Attorney of the First Judicial District, State of Louisiana, are intended to present the financial position and results of operations and changes in fund balances of only those funds which are controlled by the District Attorney of the First Judicial District, State of Louisiana.

The District Attorney of the First Judicial District, State of Louisiana has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that of the District Attorney of the First Judicial District, State of Louisiana is or will become year 2000 compliant, that of the District Attorney of the First Judicial District, State of Louisiana year 2000 remediation efforts will be successful in whole or in part, or that parties with which of the District Attorney of the First Judicial District, State of Louisiana does business are or will become year 2000 compliant.

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 First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana, as of December 31, 1998, and the results of its operations and changes in fund balances 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 April 23, 1999 on our consideration of the District Attorney of the First Judicial District, State of Louisiana, a component unit of the

Caddo Parish Commission, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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Certified Public Accountants  
Shreveport, Louisiana  
April 23, 1999

**ROBERTS, CHERRY & COMPANY**

*Certified Public Accountants, Consultants*

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

HONORABLE PAUL J. CARMOUCHE  
DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Caddo Parish

We have audited the general purpose financial statements of the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated April 23, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. 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 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

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Shreveport, Louisiana  
April 23, 1999



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

HONORABLE PAUL J. CARMOUCHE  
DISTRICT ATTORNEY OF THE FIRST JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Caddo Parish

**Compliance**

We have audited the compliance of the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana's ("District Attorney") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1998. The District Attorney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of District Attorney's management. Our responsibility is to express an opinion on the District Attorney's compliance based on our audit.

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

In our opinion, the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

**Internal Control Over Compliance**

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



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

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*ROBERTS, CHERRY AND COMPANY*

ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
April 23, 1999

**DISTRICT ATTORNEY OF THE  
FIRST JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Caddo Parish**

**Schedule of Findings and Questioned Costs  
December 31, 1998**

**PRIOR YEAR FINDINGS**

None

**CURRENT YEAR FINDINGS FOR CHILD SUPPORT ENFORCEMENT TITLE IV D**

None

**Summary of Auditor's Results**

- We have issued an unqualified opinion on the financial statements of the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana as of and for the year ended December 31, 1998.
- We have issued an unqualified opinion on the District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana's compliance with major federal award programs as of and for the year ended December 31, 1998.
- Our audit procedures did not disclose any instances of material noncompliance in major programs,
- Our audit procedures did not disclose any instances of questioned costs,
- The major federal program is Child Support Enforcement Title IV-D, CFDA 93.563, which was passed through to the Organization from the State of Louisiana Department of Social Services.
- The dollar threshold used to identify Type A programs is \$300,000,
- District Attorney of the First Judicial District, State of Louisiana, a component unit of the Caddo Parish Commission, State of Louisiana qualifies as a low-risk auditee based on the criteria cited in OMB Circular A-133, §\_\_\_\_.530

**ROBERTS, CHERRY & COMPANY**

*Certified Public Accountants, Consultants*

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LEGISLATION DIVISION

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The Honorable Paul J. Carmouche  
District Attorney of the First Judicial District  
Shreveport, Louisiana

In planning and performing our audit of the general purpose financial statements of the District Attorney of the First Judicial District, State of Louisiana, for the year ended December 31, 1998, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control.

During the planning and performing of our procedures, we noted the following matters coming to our attention that deserve comment:

1. Some of the bank reconciliations prepared as of December 31, 1998 did not agree to the final general ledger balance as of December 31, 1998. We suggest that all bank reconciliations be agreed to the final general ledger balances when reviewed by a supervisor one level higher than the person who prepared the reconciliation.
2. The amounts on deposit with banks must be secured at all times by a combination of FDIC insurance and appropriate obligations. We discovered that City Bank and Trust Company, which is the District Attorney's depository and investment bank, had invested balances which were not fully collateralized as of December 31, 1998. We recommend that the District Attorney monitor the amounts pledged as collateral by bank and document compliance of this item monthly, as well as ensure timely correction of any shortfalls. In addition, we recommend that the District Attorney review the applicable guidelines with bank management to prevent the bank from failing to comply with this regulation in the future.
3. We encountered differences in our attempts to reconcile the property inventory maintained by the administrator's office and the activity reflected in the general ledgers. We recommend that one listing be maintained with corresponding copies of fixed asset additions by the administrator. Using this listing, the inventory can be updated monthly. Once the inventory is updated, it should be reconciled to the general ledger activity and any differences resolved.

This report is intended solely for the information and use of the District Attorney of the First Judicial District, State of Louisiana, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

**ROBERTS, CHERRY AND COMPANY**  
ROBERTS, CHERRY AND COMPANY

A Corporation of  
Certified Public Accountants  
Shreveport, Louisiana  
April 23, 1999

# PAUL J. CARMOUCHE

DISTRICT ATTORNEY

FIRST JUDICIAL DISTRICT  
CADDO PARISH



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District Attorney of the First Judicial District  
Shreveport, Louisiana

Corrective Action Plan  
As a Response to the Management Letter for the Year Ended December 31, 1998

Comment Number	Description of comment and recommendation	Action Taken or Planned
1	Some of the bank reconciliations prepared as of December 31, 1998 did not agree to the final general ledger balance as of December 31, 1998. <i>We suggest that all bank reconciliations be agreed to the final general ledger balances when reviewed by a supervisor one level higher than the person who prepared the reconciliation.</i>	The District Attorney's Office ("DA") has modified the bank reconciliation procedure to agree the reconciled bank balance to the final end of month general ledger balance for each bank account.
2	The amounts on deposit with banks must be secured at all times by a combination of FDIC insurance and appropriate obligations. We discovered that City Bank and Trust Company, which is the District Attorney's depository and investment bank, had invested balances which were not fully collateralized as of December 31, 1998. <i>We recommend that the District Attorney monitor the amounts pledged as collateral by bank and document compliance of this item monthly, as well as ensure timely correction of any shortfalls. In addition, we recommend that the District Attorney review the applicable guidelines with bank management to prevent the bank from failing to comply with this regulation in the future.</i>	The DA's office requires all depository financial institutions to provide a detailed listing at the end of each month showing the investments, at fair value, compared to the bank balances at the month end. If the DA's office discovers that the bank does not have enough securities pledged, the DA's Administrator will immediately require the bank to comply.
3	We encountered differences in our attempts to reconcile the property inventory maintained by the administrator's office and the activity reflected in the general ledgers. <i>We recommend that one listing be maintained with corresponding copies of fixed asset additions by the administrator. Using this listing, the inventory can be updated monthly. Once the inventory is updated, it should be reconciled to the general ledger activity and any differences resolved.</i>	The DA's office has adopted one excel spreadsheet that will be maintained by the administrator's office, with detailed files maintained of additions and removals. The property listing will be reconciled monthly to the general ledger of fixed assets, and appropriate entries made to maintain the records.