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**DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

*Financial Report,
Internal Control and Compliance Reports*

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 7-14-99



STAGNI & COMPANY, LLC

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

*Financial Report,
Internal Control and Compliance Reports*

December 31, 1998

TABLE OF CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report		1
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -General Fund	C	5
Combined Statement of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual – Special Revenue Funds	D	6
Notes to Financial Statements		7
<u>SUPPLEMENTAL SCHEDULES AND INFORMATION SECTION</u>		
Combining Balance Sheet - Special Revenue Funds	E	25
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	F	26
Year 2000 Disclosure		27

**TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

*Financial Report,
Internal Control and Compliance Reports*

December 31, 1998

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
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>	28
Summary Schedule of Findings and Questioned Cost	30

FINANCIAL SECTION



STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

Honorable Harry J. Morel, Jr.
District Attorney of the Twenty-Ninth Judicial District
St. Charles Parish, Louisiana

We have audited the accompanying general-purpose financial statements of the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, 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 Twenty-Ninth Judicial District, St. Charles Parish, 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana as of December 31, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental schedules and information in the table of contents are presented for additional analysis and are not a required part of the general purpose financial statements of the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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Honorable Harry J. Morel, Jr.
District Attorney of the Twenty-Ninth Judicial District
St. Charles Parish, Louisiana
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 1999 on our consideration of the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Stagni & Company

Thibodaux, Louisiana
March 16, 1999



**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

DECEMBER 31, 1998

	Governmental Funds		Fiduciary Fund		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Agency	General Fixed Assets	General Long-Term Debt		
ASSETS AND OTHER DEBITS							
Cash and cash equivalents	\$ 129,646	\$ 447,442	\$ 26,565			\$ 603,653	
Investments	18,401	70,000				88,401	
Receivables:							
Collection Fees		2,241				2,241	
Commissions on fines and forfeitures		20,767				20,767	
Due from other governmental units	7,164	60,265	124			67,553	
Due from other funds		60,705				60,705	
Fixed Assets:							
Automobiles				\$ 26,382		26,382	
Equipment				202,093		202,093	
Office additions				23,941		23,941	
Office furnishings				7,382		7,382	
Amount to be provided for capital lease				18,396	\$ 20,549	38,945	
TOTAL ASSETS AND OTHER DEBITS	\$ 155,211	\$ 661,420	\$ 26,689	\$ 278,194	\$ 20,549	\$ 1,142,063	
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 4,459	\$ 9,624				\$ 14,083	
Payroll taxes and retirement payable	2,976					2,976	
Due to other governments	21,841		\$ 26,689			48,530	
Due to other funds	38,509	22,196				60,705	
Capital lease obligation					\$ 20,549	20,549	
Total liabilities	67,785	31,820	26,689	-	20,549	146,843	
Fund Equity:							
Investment in general fixed assets	\$ 87,426	\$ 629,600		\$ 278,194		\$ 717,026	
Fund balances - unreserved and undesignated	87,426	629,600		278,194		995,220	
Total fund equity	155,211	661,420	26,689	278,194	20,549	1,142,063	
TOTAL LIABILITIES AND FUND EQUITY							

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 1998

	General	Special Revenue	Totals (Memorandum Only)
Revenues			
Charges for services:			
Commissions on fines and forfeitures	\$ 74,600	\$ 250,014	\$ 324,614
Probation fees	225	26,164	26,389
Bail bonds forfeited	4,287		4,287
Worthless check fees		10,031	10,031
Intergovernmental	7,280	290,672	297,952
Interest and miscellaneous	6,363	7,336	13,699
Total revenues	<u>92,755</u>	<u>584,217</u>	<u>676,972</u>
Expenditures			
Current:			
General government:			
Salaries and related benefits	15,890	246,077	261,967
Telephone and utilities	17,725	12,305	30,030
Professional services	12,825	600	13,425
Repairs and maintenance	733	4,894	5,627
Automobile	1,961	11,505	13,466
Meetings	1,550	1,210	2,760
Dues and subscriptions	2,750	10,888	13,638
Insurance	3,425	9,401	12,826
Office supplies	13,335	13,969	27,304
Travel and conventions	3,760	52,258	56,018
Case expenditures	363	858	1,221
Rent	4,500	9,000	13,500
Intergovernmental		53,964	53,964
Capital outlay:			
Equipment	21,291	41,103	62,394
Debt service:			
Principal	4,178	924	5,102
Interest	822	622	1,444
Total expenditures	<u>105,108</u>	<u>469,578</u>	<u>574,686</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,353)	114,639	102,286
Other Financing Sources and Uses			
Proceeds from loan	18,396	7,289	25,685
Total Other Financing Sources and Uses	<u>18,396</u>	<u>7,289</u>	<u>25,685</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	6,043	121,928	127,971
FUND BALANCES at beginning of year	81,383	507,672	589,055
FUND BALANCES at end of year	<u>\$ 87,426</u>	<u>\$ 629,600</u>	<u>\$ 717,026</u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended December 31, 1998**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Charges for services:			
Commissions on fines and forfeitures	\$ 64,451	\$ 74,600	\$ 10,149
Probation Fees	-	225	225
Bail bonds forfeited	-	4,287	4,287
Intergovernmental	11,196	7,280	(3,916)
Interest and miscellaneous	10,221	6,363	(3,858)
Total revenues	<u>85,868</u>	<u>92,755</u>	<u>6,887</u>
Expenditures			
Current:			
General government:			
Salaries and related benefits	8,330	15,890	(7,560)
Telephone and utilities	16,487	17,725	(1,238)
Professional services	11,825	12,825	(1,000)
Maintenance and repairs	1,278	733	545
Automobile	2,091	1,961	130
Meetings	1,550	1,550	-
Dues and subscriptions	2,700	2,750	(50)
Insurance	3,425	3,425	-
Office supplies	13,420	13,335	85
Travel and conventions	3,215	3,760	(545)
Case expenditures	463	363	100
Rent	4,050	4,500	(450)
Capital outlay:			
Equipment	21,291	21,291	-
Debt service:			
Principal	4,649	4,178	471
Interest	930	822	108
Total expenditures	<u>95,704</u>	<u>105,108</u>	<u>(9,404)</u>
Excess (Deficiency) Of Revenues Over Expenditures	(9,836)	(12,353)	(2,517)
Other Financing Sources and Uses			
Proceeds from loan	18,396	18,396	-
Total Other Financing Sources and Uses	<u>18,396</u>	<u>18,396</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	8,560	6,043	(2,517)
FUND BALANCES at beginning of year	81,383	81,383	
FUND BALANCES at end of year	<u>\$ 89,943</u>	<u>\$ 87,426</u>	<u>\$ (2,517)</u>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Charges for services:			
Commissions on fines and forfeitures	\$ 221,688	\$ 250,014	\$ 28,326
Probation fees	25,444	26,164	720
Worthless check fees	7,866	10,031	2,165
Intergovernmental	322,544	290,672	(31,872)
Interest and miscellaneous	7,170	7,336	166
Total revenues	584,712	584,217	(495)
Expenditures			
Current:			
General government:			
Salaries and related benefits	352,943	246,077	106,866
Telephone and utilities		12,305	(12,305)
Professional services		600	(600)
Repairs and maintenance		4,894	(4,894)
Automobile	5,247	11,505	(6,258)
Meetings	876	1,210	(334)
Dues and subscriptions	10,747	10,888	(141)
Insurance	7,636	9,401	(1,765)
Office expense	18,027	13,969	4,058
Travel and conventions	54,830	52,258	2,572
Case expenditures	570	858	(288)
Rent	25,730	9,000	16,730
Miscellaneous	13,421		13,421
Intergovernmental	53,964	53,964	
Capital outlay:			
Equipment	33,814	41,103	(7,289)
Debt Service			
Principal		924	(924)
Interest		622	(622)
Total expenditures	577,805	469,578	108,227
Excess (Deficiency) of Revenues Over Expenditures	6,907	114,639	107,732
Other Financing Sources:			
Proceeds from loan	-	7,289	7,289
Total Other Financing Sources	-	7,289	7,289
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	6907	121,928	115,021
FUND BALANCES at beginning of year	508,032	507,672	(360)
FUND BALANCES at end of year	\$ 514,939	\$ 629,600	\$ 114,661

The accompanying notes are an integral part of this statement.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The Judicial District encompasses the Parish of St. Charles, Louisiana.

A. Basis of Presentation

The accompanying financial statements of the District Attorney of the Twenty-Ninth 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

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney is a part of the district court system of the State of Louisiana. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since, The District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana is an independently elected official, is legally separate and fiscally independent, the District Attorney of the Twenty-Ninth Judicial District is a separate governmental reporting entity. There are unrecorded financial transactions between the St. Charles Parish Council (the Council) and the District Attorney where the Council provides certain operating expenditures for the District Attorney.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Reporting Entity (Continued)

Financial accountability is determined by applying criteria established by the GASB as listed below:

- Financial benefit or burden
- Appointment of a voting majority
- Imposition of will
- Fiscally dependent

The above identified transactions between the District Attorney and the Parish Council are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability. The other three criteria of financial accountability do not pertain to the District Attorney of the Twenty-Ninth Judicial District when applying them as a means of identifying potential component units of the St. Charles Parish Council.

The District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana, includes all funds, account groups and activities, et cetera, that are within the oversight responsibility of the District Attorney. Other local governmental units over which the District Attorney exercises no oversight responsibility are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the parish District Attorney.

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.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

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.

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. The District Attorney's governmental funds include:

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

Special Revenue Funds:

Title IV-D Reimbursement Fund - The Title IV-D Reimbursement 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.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Funds:

Title IV-D Incentive Fund – The Title IV-D Incentive Fund is used to account for payments received from the Louisiana Department of Health and Human Resources which consist of 15 per cent of all amounts collected and required to be distributed, as provided in Section 456 of the Social Security Act, to reduce or repay assistance payments.

Title IV-D Child Support Fund – Prior to July 1, 1998 the above two IV-D funds were accounted for separately due to the percentage of the reimbursements accorded to each fund. Beginning July 1, 1998 these two funds were combined and accounted for as one fund.

Drug Enforcement Fund - The Twenty-Ninth Judicial District, District Attorney receives funds as a sub-grantee under the Louisiana Commission on Law Enforcement and Administration of Criminal Justice. The grant is authorized by the Omnibus Crime Control and Safe Streets Act of 1968 as provided under P.L.90: 351 as amended. The District Attorney's office is the applicant agency and has the responsibility for all project administrative and financial matters. The project is a joint project between the District Attorney's Office and the St. Charles Parish Sheriff's Office. The two offices will collaborate in the joint project aimed at identifying, arresting, and prosecuting mid-level drug traffickers who affect the Parish of St. Charles, State of Louisiana. The grant provides for federal funds of 73.61% and a local cash match of 26.39%. The grant operates under grant calendar years and funds are disbursed throughout the duration of the project regardless of the grant year.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Fund Accounting (Continued)

Special Revenue Funds: (Continued)

Court Cost Fund - The Court Cost Fund is used to account for all fees collected in accordance with Louisiana Revised Statute 16:16, which authorizes the collection of an amount not to exceed \$10.00 from every defendant who is convicted after trial or other plea of guilty or who forfeits his bond. These costs are to be in addition to all other fines, costs, or forfeitures imposed by law.

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

Pre-Trial Intervention Fund - The Pre-Trial Intervention Fund accounts for a program that handles cases that the District Attorney's Office feels would be better served out of the court system. These cases consist of people charged with misdemeanors, traffic tickets, or minor felonies. The offenders agree to serve a probation period rather than entering the court system and having a criminal conviction on their record. The revenues are generated through fees paid by the offenders placed in this program. The expenditures will consist of salaries of investigators assigned to this program and various office expenditures.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Funds: (Continued)

Agency Fund

Agency funds are used to account for assets held by the District Attorney for other funds and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Agency funds of the District Attorney include:

Special Asset Forfeiture Fund - The Special Asset Forfeiture Fund is used to account for monies and proceeds from the sale of property seized or obtained by judgment or settlement as a result of drug-related activities.

Account Groups

General Fixed Asset Account Group - Fixed assets used in the District Attorney's office (governmental fund type operations) are accounted for in the general fixed asset account group, rather than in the governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. The District Attorney's fixed assets purchased through the General Fund and Criminal Court Fund of the St. Charles Parish Council are maintained and included in the general fixed asset account group of the governing authority.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

Special Revenue Funds: (Continued)

Account Groups (Continued)

General Long-Term Debt Account Group - Unmatured general long-term liabilities expected to be financed from the governmental funds of the District Attorney's office are accounted for in the general long-term debt account group, rather than in the governmental funds.

 The General Fixed Asset Account Group and the Long Term Debt Account Group are not "funds". They are concerned only with the measurement of financial position, not with the measurement of results of operations.

D. Measurement Focus and Basis of Accounting

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

Revenues

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

 Grants are recorded when the District Attorney is entitled to the funds.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Revenues (Continued)

Interest on investments is recorded when the investments have matured and the income is available.

All other revenues are recorded when received.

Expenditures

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

E. Budget Practices

The District Attorney adopts budgets for the General Fund and Special Revenue Funds. The District Attorney prepared the budget on a modified accrual basis of accounting. Budget amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Encumbrances represent commitments related to unperformed contracts for goods or services. The District Attorney's office does not use an encumbrance system.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents, and Investments

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. These deposits are stated at cost, which approximates market.

G. Receivables

The receivable amounts are made up of fines and fees collected by other governments to be remitted to the District Attorney's Office and amounts due on reimbursement grants. No reserve for uncollectables is considered necessary for these receivables.

H. Prepaid Expenditures

Prepaid expenditures result from prepayment for a benefit that is expected to be received within the following period.

I. Fixed Assets

General fixed assets are not capitalized in the governmental funds used to acquire them. Instead, capital acquisition is reflected as an expenditure in the governmental funds, and the related assets are reported in the general fixed asset account group

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fixed Assets (Continued)

All purchased fixed assets by the District Attorney are valued at acquisition cost. All other fixed assets used in the District Attorney's office are provided by the St. Charles Parish Council and are accounted for in the general fixed asset account group of the Council.

J. Long-Term Debt

Long-term obligations expected to be financed from the General Fund are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the General Fund when due.

K. Compensated Absences

The District Attorney has a formal written policy for vacation and sick leave. Present clerical employees are allowed to take 10 to 15 days vacation based on length of service, and 10 days sick leave each year. On December 1st, employees are paid at their current earnings rate for any unused vacation. Sick leave cannot be accumulated and is forfeited at termination of employment. Assistant District Attorneys and investigators are not included in this formal leave policy. At December 31, 1998 there were no material accumulated leave benefits required to be reported in accordance with GASB Codification Section C60.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Interfund transactions on the other hand are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Fund Equity

Reserves

Reserves represented 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.

N. Total Columns on Financial Statements

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

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS (INCLUDING INVESTMENTS)

At December 31, 1998, the District Attorney has cash and cash equivalents and investments (book balances) as follows:

	Bank Balances	Book Balances
Demand deposits	\$ 611,040	\$ 603,653
Money market accounts	8,947	8,947
Certificates of deposit	79,108	79,454
TOTAL	\$699,095	\$692,054

These deposits are stated at cost, which approximates the 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's \$699,095 in deposits (bank balances) are secured from risk by \$288,055 of federal deposit insurance (risk category 1) and \$536,487 of pledged securities (risk category 2).

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Autos	\$ 2,175	\$ 24,207	\$ 0	\$ 26,382
Equipment	188,795	13,298	0	202,093
Office Furnishings	6,638	744	0	7,382
Office Improvements	23,941	0	0	23,941
Leased Equipment	10,500	18,396	\$ 10,500	18,396
TOTAL	\$ 232,049	\$ 56,645	\$ 10,500	\$ 278,194

NOTE 4 LONG TERM DEBT – CAPITAL LEASES

The following is a summary of changes in long term obligations of the St. Charles Parish District Attorney's office as of December 31, 1998:

	Balance January 1, 1998	Additions	Reductions	Balance December 31, 1998
Capital leases	\$ 7,875	\$ 18,396	\$ 5,722	\$ 20,549

The St. Charles Parish District Attorney's office has entered into two capital lease agreements for financing the acquisition of a copy machine and telephone system. The lease agreements qualify as capital leases; therefore, the copy machine and telephone system have been recorded at the present value of the future minimum lease payments as of the date of their inception.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 LONG TERM DEBT - CAPITAL LEASES (Continued)

The following is an analysis of equipment leased under a capital lease as of December 31, 1998:

	General Fixed Assets
Xerox-Copy Machine	\$ 15,159
AT & T Telephone System	5,390
	\$ 20,549

The following is a schedule of future minimum lease payments under the capital lease agreement and the present value of the net minimum lease payments:

<u>Year Ending December 31,</u>	General Long Term Debt
1999	\$ 8,616
2000	8,61
2001	4,574
2002	1,687
Total minimum lease payments	23,494
Less: Amount representing interest	2,945
Present value of minimum lease payments	\$ 20,549

The amount of principal paid in 1998 on the Xerox leases for the copy machine was \$4,178 by the general fund, and \$619 was paid by the Criminal Court Fund. The amount of principal paid in 1998 on the AT & T lease for the IV-D & Child Support office telephone system was \$925.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 ***PENSION PLANS***

All individuals who work at the District Attorney's offices are paid by the St. Charles Parish Council and are consequently members of the Parochial Employees Retirement System through the St. Charles Parish Council. The District Attorney and assistant District Attorneys are members of the Louisiana District Attorneys Retirement System. GASB requires certain disclosure for employers who maintain retirement plans for their employees. All individuals at the District Attorney's office are compensated by others who disclose the required retirement plan information in their separately issued financial statements. Both retirement plans mentioned above are administered and controlled by separate boards of trustees.

NOTE 6 ***LITIGATION***

At December 31, 1998, there is no litigation pending against the District Attorney that is susceptible to accrual in accordance with statements of Financial Accounting Standards No. 5.

NOTE 7 ***EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE
FINANCIAL STATEMENTS***

The accompanying financial statements do not include certain expenditures of the District Attorney for the year ended December 31, 1998, paid out of funds of the criminal court, the St. Charles Parish Council, or directly by the State. The salaries of the District Attorney and the assistant District Attorneys are paid by the state and the St. Charles Parish Council. The salaries of the office staff are paid by the St. Charles Parish Council. Also, portions of rent, fringe benefits, Title IV Program expenses and various office expenses are paid or absorbed by the St. Charles Parish Council. At December 31, 1998, the amount of the expenses paid or absorbed by these other agencies has not been determined.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 ***TITLE IV-D 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 13.783. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 1998, the District Attorney for the Twenty-Ninth Judicial District expended \$75,907 and \$26,146 in reimbursement and incentive payments, respectively. The previous two funds, IV-D Reimbursement and IV-D Incentive Funds, were combined into a newly created fund, Child Support Reimbursement Fund, during 1998. The District Attorney of the Twenty-Ninth Judicial District expended \$38,162 in 1998 for the Child Support Reimbursement Fund. The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

There are no restrictions on how incentive payments may be expended, except as may be required by state law, for any other funds of the District Attorney. However, these payments, as well as the reimbursement payments, may be subjected to further review and audit by the federal grantor agency. Provision has not 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.

NOTE 9 ***AGENCY FUND - SPECIAL ASSET FORFEITURE FUND***

This fund accounts for monies and proceeds from the sale of property seized or obtained by judgment or settlement as a result of drug related activities. Monies deemed to be unforfeitable are returned to the person from whom it was seized. Withdrawal of forfeited funds can be made only upon order of the court

Forfeited money in the fund shall be distributed in order of priority as follows:

- (1) for satisfaction of any bona fide security interest or lien.

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 **AGENCY FUND - SPECIAL ASSET FORFEITURE FUND (Continued)**

- (2) Thereafter, for payment of all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, and court costs.

- (3) The remaining funds will be allocated as follows:
 - (a) Sixty per cent, thereof, to the law enforcement agency or agencies making the seizure; such proceeds to be used in drug law enforcement, including but not limited to reward programs established by such agencies.

 - (b) Twenty per cent, thereof, to the criminal court fund of the applicable parish government.

 - (c) Twenty per cent, thereof, to any District Attorney's office that employs attorneys who handle the forfeiture action for the state. This shall be paid into the District Attorney's 12 per cent (general) fund to be used for public purposes including, but not limited to, use for prosecution, rewards, support and continuing legal education.

Changes in the account are as follows:

Balance: January 1, 1998	\$ 21,903
 <u>Additions:</u>	
Forfeitures received	45,338
Interest earned	350
	45,688
 <u>Reductions:</u>	
Forfeitures returned	8,661
Forfeitures distributed	31,890
Miscellaneous expenses	351
	40,902
Balance: December 31, 1998	\$ 26,689

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 INSURANCE

The District Attorney of the Twenty-Ninth Judicial District is exposed to risks of loss related to physical damage to assets, errors and omissions, and employee injuries. The District Attorney has purchased commercial insurance coverage for each type of risk to which it is exposed. Settlements have not exceeded insurance coverage in any of the three proceedings years.

NOTE 11 INTERFUND RECEIVABLES AND PAYABLES

Such balances at December 31, 1998 were:

	Receivable	Payable
General Fund		\$ 38,509
Special Revenue Funds:		
Court Cost Fund	\$ 60,705	
Child Support		15,000
Drug Enforcement		7,196
	\$ 60,705	\$ 60,705

SUPPLEMENTAL SCHEDULES

AND

INFORMATION SECTION

**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

For the Year Ended December 31, 1998

	Title IV-D Reimbursement	Title IV-D Incentive	Child Support	Drug Enforcement	Court Cost	Worthless Check	Pre-Trial Intervention	Totals
ASSETS AND OTHER DEBITS								
Cash and cash equivalents	\$ 130,586	\$ 38,108	\$ 37,870		\$ 150,766	\$ 25,597	\$ 64,515	\$ 447,442
Investments					70,000			70,000
Receivables:								
Collection Fees						1,021	1,220	2,241
Commissions on fines and forfeitures					20,767			20,767
Due from other governmental units			53,069	\$ 7,196				60,265
Due from other funds					60,705			60,705
TOTAL ASSETS AND OTHER DEBITS	<u>130,586</u>	<u>38,108</u>	<u>90,939</u>	<u>7,196</u>	<u>302,238</u>	<u>26,618</u>	<u>65,735</u>	<u>661,420</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable			3,085		6,539			9,624
Due to other funds			15,000	7,196				22,196
Fund Equity:								
Investment in general fixed assets								
Fund balances - unreserved and undesignated	<u>130,586</u>	<u>38,108</u>	<u>72,854</u>	<u>-</u>	<u>295,699</u>	<u>26,618</u>	<u>65,735</u>	<u>629,600</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 130,586</u>	<u>\$ 38,108</u>	<u>\$ 90,939</u>	<u>\$ 7,196</u>	<u>\$ 302,238</u>	<u>\$ 26,618</u>	<u>\$ 65,735</u>	<u>\$ 661,420</u>

**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 1998

	Title IV-D Reimbursement	Title IV-D Incentive	Child Support	Drug Enforcement	Court Cost	Worthless Check	Pre-Trial Intervention	Totals
Revenues								
Charges for services:								
Commissions on fines and forfeitures		\$ 250,014						\$ 250,014
Probation fees							\$ 26,164	26,164
Worthless check fees					\$ 10,031			10,031
Intergovernmental	\$ 78,492	\$ 24,869	\$ 110,914	\$ 69,363	8,034			290,572
Interest and miscellaneous		430	102		5,887	262	655	7,336
Total revenues	<u>78,492</u>	<u>25,299</u>	<u>111,016</u>	<u>68,363</u>	<u>263,935</u>	<u>10,293</u>	<u>26,819</u>	<u>584,217</u>
Expenditures								
Current:								
General government					151,904			246,077
Salaries and related benefits	49,928	25,819	18,426		123			12,305
Telephone and utilities	5,039		7,143					600
Professional services	300		300					4,894
Repairs and maintenance	1,636		2,622				636	11,505
Automobile expenditures	678		152		10,675			1,210
Meetings					1,210			10,888
Dues and subscriptions	50		91		10,502		245	9,401
Insurance	340				9,061			13,969
Office supplies	3,292		3,320		5,335	1,275	420	52,258
Travel and conventions	974		1,655		49,474		155	858
Case expenditures	288				570			9,000
Rent	5,250		3,750					53,964
Intergovernmental				53,964				41,103
Capital outlay:								
Equipment	7,289				33,814			924
Debt Service:								622
Principal	492		432					
Interest	351		271					1,456
Total expenditures	<u>75,907</u>	<u>26,146</u>	<u>38,152</u>	<u>53,964</u>	<u>272,668</u>	<u>1,275</u>	<u>1,456</u>	<u>469,578</u>
Excess (Deficiency) of Revenues Over Expenditures	2,585	(847)	72,854	14,399	(8,733)	9,018	25,363	114,639
Other Financing Sources and Uses:								
Proceeds from loan	7,289							7,289
Interfund Transfers				(14,399)				
Total Other Financing Sources and Uses	<u>7,289</u>			<u>(14,399)</u>				<u>7,289</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	9,874	(847)	72,854		5,665	9,018	25,363	121,928
FUND BALANCES at beginning of year	120,712	38,955			290,033	17,500	40,372	507,572
FUND BALANCES at end of year	<u>\$ 130,586</u>	<u>\$ 38,108</u>	<u>\$ 72,854</u>	<u>\$ -</u>	<u>\$ 295,698</u>	<u>\$ 26,618</u>	<u>\$ 65,735</u>	<u>\$ 529,500</u>

***DISTRICT ATTORNEY OF THE
TWENTY-NINTH JUDICIAL DISTRICT
ST. CHARLES PARISH, LOUISIANA***

YEAR 2000 DISCLOSURE

December 31, 1998

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 Twenty-Ninth Judicial District, St. Charles Parish, Louisiana contracted with a computer consultant in fiscal year 1998 for evaluation and assistance in developing a comprehensive plan for updating their computer systems and related software for year 2000 compliance. Based on the evaluation, the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana has replaced all of their computer systems with new hardware that is year 2000 compliant. Testing and validation of new or upgraded software will be completed by December 31, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana is or will be Year 2000 ready, that the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana's remediation efforts will be successful in whole or in part, or that the parties with whom the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana does business will be year 2000 ready.

***INTERNAL CONTROL AND
COMPLIANCE SECTION***



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 Harry J. Morel, Jr.
District Attorney of the Twenty-Ninth Judicial District
St. Charles Parish, Louisiana

We have audited the financial statements of the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated March 16, 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 Twenty-Ninth Judicial District, St. Charles Parish Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no 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 Twenty-Ninth Judicial District, St. Charles Parish Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness.

Honorable Harry J. Morel, Jr.
District Attorney of the Twenty-Ninth Judicial District
St. Charles Parish Louisiana
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Stagni & Company

March 16, 1999
Thibodaux, Louisiana



**DISTRICT ATTORNEY OF THE TWENTY-NINTH JUDICIAL DISTRICT,
ST. CHARLES PARISH, LOUISIANA**

**Summary Schedule of Findings and Questioned Costs
For the Year 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 the District Attorney of the Twenty-Ninth Judicial District, St. Charles Parish, Louisiana.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District Attorney of the Twenty-Ninth Judicial District were disclosed during the audit.

- B.** There were no findings relating to the financial statements that are required to be reported in accordance with GAGAS.