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

**GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1998  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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

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**CERTIFIED PUBLIC ACCOUNTANTS**

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

**General Purpose Financial Statements**  
**As of and for the Year Ended December 31, 1998**  
**With Supplemental Information Schedules**

**CONTENTS**

	<u>Statement</u>	<u>Page No.</u>
<b>INDEPENDENT AUDITORS' REPORT</b>		<b>3</b>
<b>General Purpose Financial Statements:</b>		
<b>Combined Balance Sheet, All Fund Types     and Account Group</b>	<b>A</b>	<b>4</b>
<b>Governmental Funds:</b>		
<b>Combined Statement of Revenues, Expenditures,         and Changes in Fund Balances</b>	<b>B</b>	<b>5</b>
<b>Combined Statement of Revenues, Expenditures,         and Changes in Fund Balances - Budget (GAAP         Basis) and Actual:</b>		
<b>General and Special Revenue Funds</b>	<b>C</b>	<b>6</b>
<b>Notes to the Financial Statements</b>		<b>7-14</b>
<b>Supplemental Information Schedules:</b>		
<b>Special Revenue Funds:</b>	<u>Schedule</u>	
<b>Combining Balance Sheet</b>	<b>1</b>	<b>16</b>
<b>Combining Schedule of Revenues, Expenditures, and         Changes in Fund Balances</b>	<b>2</b>	<b>17</b>
<b>Agency Fund:</b>		
<b>Combining Balance Sheet</b>	<b>3</b>	<b>19</b>
<b>Schedule of Changes in Deposits Due Others</b>	<b>4</b>	<b>20</b>
<b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u></b>		<b>21</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>		<b>22</b>

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## INDEPENDENT AUDITORS' REPORT

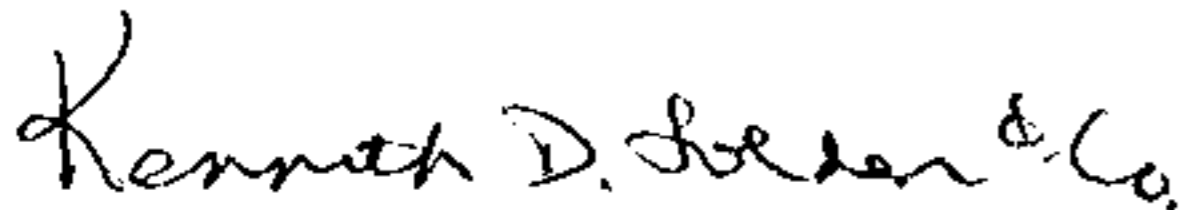
To the Honorable Walter E. May, Jr., District Attorney  
Second Judicial District  
Jonesboro, Louisiana

We have audited the accompanying general purpose financial statements of the District Attorney of the Second Judicial District, parishes of Bienville, Claiborne and Jackson, Louisiana, as of and for the year ended December 31, 1998. These general purpose financial statements are the responsibility of the District Attorney of the Second Judicial District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 1999, on our consideration of the District Attorney of the Second Judicial District of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Kenneth D. Folden & Co.  
Certified Public Accountants

Jonesboro, Louisiana  
June 25, 1999

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

**ALL FUND TYPES AND ACCOUNT GROUP**  
**Combined Balance Sheet, December 31, 1998**

	Governmental Fund Types		Fiduciary Fund Type	Account Group	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Agency Funds	General Fixed Assets	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 160,002	\$ 72,259	\$ 58,080	\$	\$ 290,341
Receivables	55,133	16,389			71,522
Due from other funds	11,689				11,689
Other assets		400			400
Fixed assets				334,599	334,599
<b>TOTAL ASSETS</b>	<b>\$ 226,824</b>	<b>\$ 89,048</b>	<b>\$ 58,080</b>	<b>\$ 334,599</b>	<b>\$ 708,551</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities</b>					
Accounts payable	\$ 11,667	\$ 3,481	\$	\$	\$ 15,148
Due to other funds			11,689		11,689
Payroll deductions and withholdings payable	11,143	6,312			17,455
Seized assets pending judgement			46,391		46,391
<b>Total liabilities</b>	<b>22,810</b>	<b>9,793</b>	<b>58,080</b>	<b>NONE</b>	<b>90,683</b>
<b>Fund equity</b>					
Investment in general fixed assets				334,599	334,599
Fund balances - unreserved and undesignated	204,014	79,255			283,269
<b>Total equity</b>	<b>204,014</b>	<b>79,255</b>	<b>NONE</b>	<b>334,599</b>	<b>617,868</b>
<b>TOTAL LIABILITIES AND FUND</b>	<b>\$ 226,824</b>	<b>\$ 89,048</b>	<b>\$ 58,080</b>	<b>\$ 334,599</b>	<b>\$ 708,551</b>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**

Statement B

Parishes of Bienville, Claiborne and Jackson, Louisiana

**GOVERNMENTAL FUNDS**

**Combined Statement of Revenues, Expenditures and**

**Changes in Fund Balances**

**For the Year Ended December 31, 1998**

	General	Special Revenue	Total (Memorandum Only)
<b>REVENUES</b>			
Commissions	\$ 232,022	\$ 42,800	\$ 274,822
Federal grants	34,920	242,800	277,720
State grants	25,000		25,000
LACE reimbursements	73,412		73,412
Interest	1,568	693	2,261
Other	634		634
<b>Total revenues</b>	<b>367,556</b>	<b>286,293</b>	<b>653,849</b>
<b>EXPENDITURES</b>			
Automobile	7,216		7,216
Advertising	457	198	655
Association dues	7,930		7,930
Contracted services	712	104	816
Dues and subscriptions	1,694	285	1,979
Insurance	2,113	19,385	21,498
LACE	76,435		76,435
Legal and accounting	3,932	5,886	9,818
Library	16,398	848	17,246
Office supplies	9,108	11,548	20,656
Pre-trial intervention	60,602		60,602
Rentals	3,233	4,871	8,104
Repairs and maintenance		2,829	2,829
Salaries and related benefits	67,309	186,255	253,564
Seminars and conferences	5,125	3,765	8,890
Supplies			
Telephone and utilities	23,785	13,933	37,718
Travel	22,993	10,006	32,999
Other	844		844
Capital outlay	2,263	673	2,936
<b>Total expenditures</b>	<b>312,149</b>	<b>260,586</b>	<b>572,735</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>55,407</b>	<b>25,707</b>	<b>81,114</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	13,304		13,304
Operating transfers out		(13,304)	(13,304)
<b>Total other financing sources (uses)</b>	<b>13,304</b>	<b>(13,304)</b>	<b>NONE</b>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>68,711</b>	<b>12,403</b>	<b>81,114</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>135,303</b>	<b>66,852</b>	<b>202,155</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 204,014</b>	<b>\$ 79,255</b>	<b>\$ 283,269</b>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**  
**Parishes of Bienville, Claiborne and Jackson, Louisiana**  
**GOVERNMENTAL FUNDS**

Statement C

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>						
Commissions	\$ 221,204	\$ 232,022	\$ 10,818	\$ 41,900	\$ 42,800	\$ 900
Federal grants	45,500	34,920	(10,580)	236,295	242,800	6,505
State grants	25,000	25,000				
LACE reimbursements	74,308	73,412	(896)			
Interest	1,585	1,568	(17)	1,012	693	(319)
Other	6,743	634	(6,109)			
<b>Total revenues</b>	<b>374,340</b>	<b>367,556</b>	<b>(6,784)</b>	<b>279,207</b>	<b>286,293</b>	<b>7,086</b>
<b>EXPENDITURES</b>						
Automobile	6,993	7,216	(223)			
Advertising	615	457	158		198	(198)
Association dues	8,913	7,930	983			
Contracted services	12,619	712	11,907	75	104	(29)
Dues and subscriptions	1,992	1,694	298		285	(285)
Insurance	2,087	2,113	(26)	19,841	19,385	456
LACE	74,308	76,435	(2,127)			
Legal and accounting	20,500	3,932	16,568	1,815	5,886	(4,071)
Library	16,084	16,398	(314)		848	(848)
Office supplies	18,995	9,108	9,887	14,057	11,548	2,509
Pre-trial intervention	63,523	60,602	2,921			
Rentals	2,772	3,233	(461)	4,800	4,871	(71)
Repairs and maintenance	5,161		5,161	2,984	2,829	155
Salaries and related benefits	62,015	67,309	(5,294)	195,259	186,255	9,004
Seminars and conferences	4,991	5,125	(134)	3,013	3,765	(752)
Supplies	4,740		4,740			
Telephone and utilities	26,329	23,785	2,544	14,074	13,933	141
Travel	26,463	22,993	3,470	6,257	10,006	(3,749)
Other	567	844	(277)	200		200
Capital outlay	3,017	2,263	754	897	673	224
<b>Total expenditures</b>	<b>362,684</b>	<b>312,149</b>	<b>50,535</b>	<b>263,272</b>	<b>260,586</b>	<b>2,686</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>11,656</b>	<b>55,407</b>	<b>43,751</b>	<b>15,935</b>	<b>25,707</b>	<b>9,772</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in		13,304	13,304			
Operating transfers out					(13,304)	(13,304)
<b>Total other financing sources (uses)</b>	<b>NONE</b>	<b>13,304</b>	<b>13,304</b>	<b>NONE</b>	<b>(13,304)</b>	<b>(13,304)</b>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>11,656</b>	<b>68,711</b>	<b>57,055</b>	<b>15,935</b>	<b>12,403</b>	<b>(3,532)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>30,744</b>	<b>135,303</b>	<b>104,559</b>	<b>61,867</b>	<b>66,852</b>	<b>4,985</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 42,400</b>	<b>\$ 204,014</b>	<b>\$ 161,614</b>	<b>\$ 77,802</b>	<b>\$ 79,255</b>	<b>\$ 1,453</b>

The accompanying notes are an integral part of this statement.

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**  
**Parishes of Bienville, Claiborne and Jackson, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 1998**

**INTRODUCTION**

The Second Judicial District is composed of the parishes of Bienville, Claiborne and Jackson located in northeast Louisiana. As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of criminal prosecution by the State in his district, is the representative of the State before the grand jury in his district, and is legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of the District Attorney of the Second Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the District Attorney of the Second Judicial District includes all funds, account groups, et cetera, that are within the oversight responsibility of the District Attorney. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the District Attorney is deemed to be a separate reporting entity. Certain units of local government over which the District Attorney exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Attorney.

**C. FUND ACCOUNTING**

The District Attorney uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by 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 into two categories: governmental and fiduciary. The category for governmental funds is divided into two fund types and there is one fiduciary fund category. A description of these fund classifications and their fund types follows:

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

**C. FUND ACCOUNTING (Continued)**

**GOVERNMENTAL FUND TYPES**

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

**General Fund**

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

**Special Revenue Funds**

**Title IV-D Special Revenue Fund**

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

**Worthless Check Collection Fee Special Revenue Fund**

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 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.

**FIDUCIARY FUND TYPE**

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District Attorney. The fiduciary funds of the District Attorney are:

**Agency Funds**

*Agency Funds account for assets held by the District Attorney on behalf of others as its agent. An Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.*



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

**D. BASIS OF ACCOUNTING**

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

**Revenues**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Governmental fund revenues are recognized when they become measurable and available as net current assets.

Commissions on fines are collected by the sheriffs' departments and remitted to the District Attorney. Therefore, amounts remitted during the current period and amounts collected by the government agency during the current period and received within 60 days by the District Attorney, are recognized as revenue. Substantially all other commissions are recognized as revenue in the period collected.

Federal grant revenues of the Title IV-D Special Revenue Fund consist of 1) a partial reimbursement of expenditures reported to the Department of Social Services and remitted by the government agency, and 2) incentives received from the Department of Social Services which are a percentage of child support collections. Therefore, amounts remitted during the current period, amounts based upon current period expenditures and collections received within 60 days by the District Attorney, are recognized as revenue.

General Fund grant revenues are recognized in the period for which the grant was issued if received in time to pay current year-end liabilities.

**Expenditures**

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

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

**E. BUDGETS**

Budgets are adopted on a basis consistent with generally accepted accounting principals (GAAP). Annually appropriated budgets are adopted for the general and special revenue funds. The District Attorney approves all budget changes or amendments. At year end, all appropriations lapse. Budgeted amounts shown in financial statements are as amended.

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

**F. 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 not employed by the District Attorney.

**G. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in short-term time deposits. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District Attorney may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 1998, the District Attorney had no investments.

**II. FIXED ASSETS**

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Ninety-eight per cent of the general fixed assets are valued at historical cost; two per cent of the asset values are estimated.

**I. COMPENSATED ABSENCES**

Employees earn from two weeks to five weeks of vacation leave annually, depending upon length of service; vacation leave does not accumulate. Employees earn twelve days of sick leave annually; six days of sick leave may be accumulated. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken. The amount of accumulated sick leave is immaterial to the financial statements and is not accrued.

**J. TOTAL COLUMNS ON STATEMENTS**

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.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 1998, the District Attorney has cash and cash equivalents (book balances) totaling \$290,341 as follows:

Demand deposits including interest-bearing	\$ 277,605
Petty cash	200
Time deposits	<u>12,536</u>
Total	<u>\$ 290,341</u>

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

**2. CASH AND CASH EQUIVALENTS (Continued)**

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the related bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1998, the District Attorney has \$301,008 in deposits (collected bank balances). These deposits are maintained in seven financial institutions and are secured from risk by \$301,008 of federal deposit insurance.

**3. RECEIVABLES**

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

Class of Receivable	General Fund	Special Revenue Funds	Total
<b>Due from other governments:</b>			
Due from federal grants	\$	\$ 16,389	\$ 16,389
Due from criminal court fund	46,512		46,512
Commissions collected by parish sheriffs	4,412		4,412
Accounts receivable	4,209		4,209
<b>Total</b>	<b>\$ 55,133</b>	<b>\$ 16,389</b>	<b>\$ 71,522</b>

**4. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	Additions	Deletions	Balance December 31, 1998
Equipment and furniture	\$ 331,663	\$ 2,936	\$	\$ 334,599
<b>Total</b>	<b>\$ 331,663</b>	<b>\$ 2,936</b>	<b>NONE</b>	<b>\$ 334,599</b>

**5. PENSION PLAN**

**DISTRICT ATTORNEYS RETIREMENT SYSTEM (DARS)**

*Plan Description.* The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

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

**5. PENSION PLAN (Continued)**

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 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 provision, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 percent of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

*Funding Policy.* Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. For 1998, the rates were 2.50 percent of January - June payroll and 1.25 percent of July - December payroll. Contributions to the System also include .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 years ending December 31, 1998, 1997, and 1996, were \$680, \$1,968, and \$2,996, respectively, equal to the required contributions for each year.

**PAROCHIAL EMPLOYEES RETIREMENT SYSTEM (PERS)**

*Plan Description.* Substantially all employees of the District Attorney, Second Judicial District are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the district are members of Plan A.

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**

**Parishes of Bienville, Claiborne and Jackson, Louisiana**

**Notes to the Financial Statements (Continued)**

**5. PENSION PLAN (Continued)**

**PAROCHIAL EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)**

All permanent employees working at least 28 hours per week who are paid wholly or in part by the District Attorney of the Second Judicial District are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the District Attorney of the Second Judicial District is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney of the Second Judicial District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The District Attorney of the Second Judicial District's contributions to the System under Plan A for the years ending December 31, 1998, 1997, and 1996, were \$19,597, \$19,781, and \$17,127, respectively, equal to the required contributions for each year.

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

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the Bienville, Claiborne or Jackson Parish Police Juries or directly by the state. A portion of the salaries of the District Attorney and assistant district attorneys are paid directly by the state. The parish police juries pay certain other expenditures of the District Attorney.

**7. FEDERAL FINANCIAL ASSISTANCE PROGRAM**

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance No. 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 Second Judicial District expended \$207,400 and \$35,400 in reimbursement and incentive payments, respectively.

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

**7. FEDERAL FINANCIAL ASSISTANCE PROGRAM (Continued)**

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Social Services and includes a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursement requests to the Department of Social Services on a monthly basis.

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

**8. LITIGATION**

The District Attorney of the Second Judicial District is a defendant in various lawsuits filed by inmates. Although the outcome of these lawsuits is not presently determinable, in the opinion of the district attorney's legal council, the resolution of these matters will not have a material adverse effect on the financial condition of the Second Judicial District Attorney.

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**  
**Parishes of Bienville, Claiborne and Jackson, Louisiana**  
**Supplemental Information Schedules**  
**For the Year Ended December 31, 1998**

**SPECIAL REVENUE FUNDS**

**Title IV-D Special Revenue Fund**

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

**Worthless Check Collection Fee Special Revenue Fund**

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 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.

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**  
**Parishes of Bienville, Claiborne and Jackson, Louisiana**  
**SPECIAL REVENUE FUNDS**

Combining Balance Sheet, December 31, 1998

	Title IV-D Fund	Worthless Check Collection Fee Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 27,826	\$ 44,433	\$ 72,259
Receivables	16,389		16,389
Other assets	400		400
<b>TOTAL ASSETS</b>	<b>\$ 44,615</b>	<b>\$ 44,433</b>	<b>\$ 89,048</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 3,481		\$ 3,481
Payroll deductions and withholdings payable	6,312		6,312
<b>Total liabilities</b>	<b>9,793</b>	<b>NONE</b>	<b>9,793</b>
<b>Fund Equity - fund balances:</b>			
Unreserved - undesignated	34,822	44,433	79,255
<b>Total fund equity</b>	<b>34,822</b>	<b>44,433</b>	<b>79,255</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 44,615</b>	<b>\$ 44,433</b>	<b>\$ 89,048</b>



**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**  
**Parishes of Bienville, Claiborne and Jackson, Louisiana**  
**SPECIAL REVENUE FUNDS**

Schedule 2

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 1998**

	Title IV-D Fund	Worthless Check Collection Fee Fund	Total
<b>REVENUES</b>			
Commissions	\$	\$ 42,800	\$ 42,800
Federal grants	242,800		242,800
Interest earnings	693		693
Total revenues	243,493	42,800	286,293
<b>EXPENDITURES</b>			
Advertising	198		198
Dues	285		285
Contracted services	104		104
Insurance	19,385		19,385
Legal and accounting	5,886		5,886
Office supplies	6,048	5,500	11,548
Rentals	4,871		4,871
Repairs and maintenance	2,829		2,829
Salaries and related benefits	186,255		186,255
Seminars and conferences	3,765		3,765
Telephone and utilities	13,933		13,933
Travel	10,006		10,006
Capital outlay	673		673
Library	848		848
Total expenditures	255,086	5,500	260,586
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(11,593)	37,300	25,707
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers out	(3,804)	(9,500)	(13,304)
Total other financing sources (uses)	(3,804)	(9,500)	(13,304)
<b>EXCESS (Deficiency) OF REVENUES AND OTHER OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(15,397)	27,800	12,403
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	50,219	16,633	66,852
<b>FUND BALANCES AT END OF YEAR</b>	\$ 34,822	\$ 44,433	\$ 79,255

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT**  
**Parishes of Bienville, Claiborne and Jackson, Louisiana**  
**Supplemental Information Schedules**  
**For the Year Ended December 31, 1998**

**AGENCY FUNDS**

**ASSET SEIZURE FUND**

The Asset Seizure Agency Fund accounts for the seizure and forfeiture of assets obtained through judgements. The seized assets are liquidated and distributed according to court order.

**BOND PROCEEDS FUND**

The Bond Proceeds Agency Fund accounts for the collection and settlement of judgements of bond forfeitures and for the receipt and settlement of Two Per Cent "Bond Fee" Proceeds. The bond forfeitures are collected and settled in accordance with Louisiana Revised Statute 15:571.11.

Two Per Cent "Bond Fee" Proceeds are disbursed to the District Attorney by the State Insurance Commissioner. The District Attorney then settles the bond fee proceeds according to Louisiana Revised Statute 22:1065.1.

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

**Combining Balance Sheet, December 31, 1998**

	Asset Seizure Fund	Bond Proceeds Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 58,080		\$ 58,080
<b>TOTAL ASSETS</b>	<b>58,080</b>	<b>NONE</b>	<b>58,080</b>
<b>LIABILITIES</b>			
<b>Liabilities</b>			
Seized assets pending judgement	46,391		46,391
Due to other funds	11,689		11,689
<b>TOTAL LIABILITIES</b>	<b>\$ 58,080</b>	<b>NONE</b>	<b>\$ 58,080</b>

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

**Combining Schedule of Changes in Deposits Due Others - Agency Funds**  
**For the Year Ended December 31, 1998**

	Asset Seizure Agency Fund	Bond Proceeds Agency Fund	Total
<b>DEPOSIT BALANCES AT BEGINNING OF YEAR</b>	\$ 63,797	NONE	\$ 63,797
<b>ADDITIONS</b>			
Seized assets	22,753		22,753
Appearance bond forfeitures		6,525	6,525
Two percent bond proceeds		58,048	58,048
Interest	1,565		1,565
<b>Total Deposits Available</b>	<b>88,115</b>	<b>64,573</b>	<b>152,688</b>
<b>REDUCTIONS</b>			
<b>Bienville Parish :</b>			
Clerk of Court	416		416
Sheriff	6,615	4,586	11,201
<b>Claiborne Parish:</b>			
Clerk of Court	119		119
Sheriff		6,121	6,121
<b>Jackson Parish:</b>			
Sheriff		5,436	5,436
<b>Second Judicial District:</b>			
Criminal Court Fund	6,404	1,631	8,035
District Attorney	2,271	16,470	18,741
District Court		14,512	14,512
Indigent Defender Board		15,817	15,817
Metro Narcotics Task Force	14,210		14,210
<b>Total Reductions</b>	<b>30,035</b>	<b>64,573</b>	<b>94,608</b>
<b>DEPOSIT BALANCES AT END OF YEAR</b>	<b>\$ 58,080</b>	<b>NONE</b>	<b>\$ 58,080</b>

# Kenneth D. Folden & Co.

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

To the Honorable Walter E. May, Jr., District Attorney  
Second Judicial District  
Jonesboro, Louisiana

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

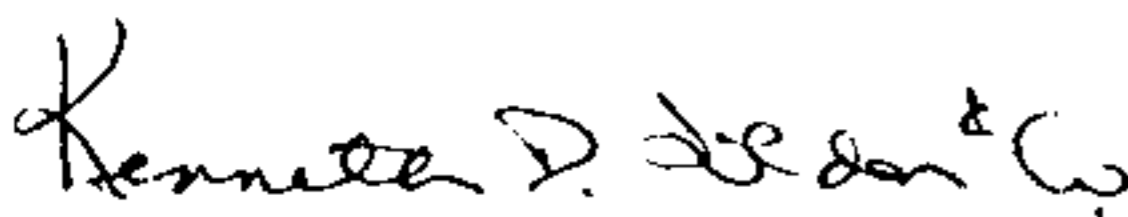
### Compliance

As part of obtaining reasonable assurance about whether the District Attorney of the Second Judicial District of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the Second Judicial District of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted 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.

  
Kenneth D. Folden & Co.  
Certified Public Accountants

Jonesboro, Louisiana  
June 25, 1999

**DISTRICT ATTORNEY OF THE SECOND JUDICIAL DISTRICT  
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 1998**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the District Attorney of the Second Judicial District.
2. No reportable conditions relating to the audit of the financial statement are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instance of noncompliance material to the financial statements of the District Attorney of the Second Judicial District was disclosed during the audit.
4. The District Attorney of the Second Judicial District had no major federal award programs.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings for the year ended December 31, 1998. The finding made in the prior audit concerning budgets was considered cleared.

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

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