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**DISTRICT ATTORNEY OF THE ORLEANS
JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA**

December 31, 1998

Audit of Financial Statements

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 7-28-99

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The Honorable Harry F. Connick
**DISTRICT ATTORNEY OF THE
ORLEANS JUDICIAL DISTRICT**
Orleans Parish, Louisiana

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT** 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 ORLEANS 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 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 ORLEANS JUDICIAL DISTRICT** 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 a report dated June 2, 1999 on our consideration of the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT** taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. In addition, the accompanying financial information, listed as supplementary financial information in the table of contents, is presented for purposes of additional information and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



A Professional Accounting Corporation

June 2, 1999

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINED BALANCE SHEET, ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1998
With Comparative Totals for December 31, 1997

ASSETS

	Governmental Fund Types		Account Groups			Totals	
	General	Special Revenue	Agency Fund	General Fixed Assets	Long-Term Obligations	1998	(Memorandum Only) 1997
ASSETS AND OTHER DEBITS							
Cash and Investments	\$ 956	\$ 288,616	\$ 38,343	\$ -	\$ -	\$ 327,915	\$ 486,682
Accounts Receivables	-	351,770	-	-	-	351,770	99,706
Due from Funding Sources	92,334	4,649	-	-	-	96,983	186,992
Miscellaneous	-	-	3,157	-	-	3,157	-
Due from Criminal District Court	-	718,721	3,158	-	-	1,180,597	1,005,202
Due from Other Funds	458,718	-	-	-	-	330,508	228,305
Due from State of Louisiana	-	330,508	-	-	-	-	-
Amount to be Provided	-	-	-	-	-	-	-
Lease Purchase Provision	-	-	-	-	104,262	104,262	306,313
Compensated Absences Provision	-	-	-	-	285,301	285,301	260,500
Fixed Assets							
Automobiles	-	-	-	826,423	-	826,423	837,283
Furniture, Fixtures and Equipment	-	-	-	1,715,392	-	1,715,392	1,648,622
Total Assets and Other Debits	\$ 552,008	\$ 1,694,264	\$ 44,658	\$ 2,541,815	\$ 389,563	\$ 5,222,308	\$ 5,059,605

LIABILITIES AND FUND EQUITY

LIABILITIES							
Cash Overdraft	\$ 46,662	\$ -	\$ -	\$ -	\$ -	\$ 46,662	\$ 60,723
Accounts Payable	220,279	151,009	-	-	-	371,288	288,424
Bonds Held for Future Disposition	-	-	23,015	-	-	23,015	31,843
Asset Forfeitures Held for Future Disposition	-	-	17,031	-	-	17,031	45,732
Due to Funding Source	-	-	-	-	-	-	3,390
Salaries Payable	-	50,549	-	-	-	50,549	50,549
Payroll Deductions Payable	-	66,658	-	-	-	66,658	4,658
Lease Purchase Agreement	-	-	-	-	104,262	104,262	306,313
Annual Leave Payable	-	-	-	-	285,301	285,301	260,500
Due to Other Funds	223,908	952,077	4,612	-	-	1,180,597	1,005,202
Deferred Revenue	-	1,561	-	-	-	1,561	-
Total Liabilities	490,849	1,221,854	44,658	-	389,563	2,146,924	2,057,334
FUND EQUITY							
Investment in General Fixed Assets	-	-	-	2,541,815	-	2,541,815	2,485,905
Fund Balances - Unreserved, Undesignated	61,159	472,410	-	-	-	533,569	516,366
Total Fund Equity	61,159	472,410	-	2,541,815	-	3,075,384	3,002,271
Total Liabilities and Fund Equity	\$ 552,008	\$ 1,694,264	\$ 44,658	\$ 2,541,815	\$ 389,563	\$ 5,222,308	\$ 5,059,605

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

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES**

For The Year Ended December 31, 1998
With Comparative Totals For The Year Ended December 31, 1997

	General	Special Revenue	Totals (Memorandum Only)	
			1998	1997
REVENUES				
City of New Orleans	\$ -	\$ 2,751,616	\$ 2,751,616	\$ 2,232,833
Administrative Payroll	-	-	-	122,650
Operating Appropriation	965	-	965	975
Fines and Fees	61,877	-	61,877	132,808
Bond Forfeitures	137,483	-	137,483	82,222
Bail Bonds	172,110	-	172,110	136,435
Court Costs	550	-	550	300
Criminal Court Fund	936	-	936	-
Escrow Interest	-	-	-	5,782
Payroll and Other Interest	-	1,914,480	1,914,480	1,393,956
Expense Reimbursement	-	380,754	380,754	622,754
Incentive Income	9,000	-	9,000	8,000
State Grant in Aid	-	838,679	838,679	638,689
Federal Grant Revenue	-	2,381,429	2,381,429	2,283,815
State Warrants	26,192	35,214	61,406	14,722
Drug Testing Fees	25,737	37,851	63,588	11,351
Program Fees	133,705	169,955	303,660	275,899
Other	-	522	522	5,893
In-Kind Revenue	40,853	-	40,853	53,399
Narcotics Forfeitures	-	-	-	-
Total Revenues	609,408	8,510,500	9,119,908	8,022,483
EXPENDITURES				
Salaries and Related Benefits	169,235	7,135,481	7,304,716	6,569,704
Travel and Training	25,628	10,150	35,778	54,497
Materials and Supplies	164,709	55,879	220,588	190,200
Automotive Expenditures	7,703	21,812	29,515	25,626
Contracted Services	108,645	94,711	203,356	108,145
Law Books and Journals	32,083	2,143	34,226	31,254
Equipment Rental and Maintenance	65,979	24,858	90,837	94,336
Telephone	128,948	45,494	174,442	134,332
Transcripts	34,373	-	34,373	43,878
Witness Expenses	86,347	25,708	112,055	111,038
Extradition	17,589	-	17,589	12,286
Investigative	37,476	-	37,476	26,921
Furniture, Fixtures, and Equipment	37,051	164,416	201,467	70,384
Capitalized Leases	52,261	-	52,261	321,897
Miscellaneous	90,634	37,007	127,641	129,440
Insurance and Fidelity Bond	7,420	386	7,806	5,606
Office Repair and Maintenance	10,485	-	10,485	17,392
Office Improvements	-	-	-	399
Computer Equipment Rental and Supplies	64,779	-	64,779	127,528
Leases	32,447	271,911	304,358	102,888
Drug Testing Fees	28,967	40,765	69,732	48,425
In-Kind Services	-	522	522	5,893
Miscellaneous Court Cost	18,162	2,802	20,964	8,630
Total Expenditures	1,220,921	7,934,045	9,154,966	8,238,699

	General	Special Revenue	Total's (Memorandum Only)	
			1998	1997
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(611,513)</u>	<u>576,455</u>	<u>(35,058)</u>	<u>(216,216)</u>
OTHER FINANCING SOURCES (USES)				
Increase in Obligations Under Capital Leases	52,261	-	52,261	321,897
Operating Transfers-Out	(74,545)	(772,523)	(847,068)	(673,384)
Operating Transfers-In	694,956	152,112	847,068	673,384
Total Other Financing Sources (Uses)	<u>672,672</u>	<u>(620,411)</u>	<u>52,261</u>	<u>321,897</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	61,159	(43,956)	17,203	105,681
FUND BALANCES - BEGINNING OF YEAR	-	516,366	516,366	410,685
FUND BALANCES - END OF YEAR	<u>\$ 61,159</u>	<u>\$ 472,410</u>	<u>\$ 533,569</u>	<u>\$ 516,366</u>

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

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL BY FUNDS
For The Year Ended December 31, 1998

	General			Special Revenue		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES						
City of New Orleans	\$ -	\$ -	\$ -	\$ 2,751,616	\$ 2,751,616	\$ -
Administrative Payroll	-	-	(247)	-	-	-
Operating Appropriation	965	1,212	(247)	-	-	-
Fines and Fees	61,877	33,330	28,547	-	-	-
Bond Forfeitures	137,483	-	137,483	-	-	-
Bail Bonds	172,110	135,123	36,987	-	-	-
Court Costs	550	303	247	-	-	-
Criminal Court Fund	936	3,316	(2,380)	-	-	-
Escrow Interest	-	-	-	-	-	-
Payroll and Other Interest	-	-	-	12,086	12,086	(12,086)
Expense Reimbursement	-	-	-	1,401,617	1,401,617	512,863
Incentive Income	-	-	-	380,754	618,000	(237,246)
State Grant in Aid	9,000	8,000	1,000	-	-	-
Federal Grant Revenue	-	-	-	838,679	832,339	6,340
State Warrants	-	-	-	2,381,429	2,337,594	43,835
Drug Testing Fees	26,192	20,600	5,592	35,214	12,000	23,214
Program Fees	25,737	12,360	13,377	37,851	12,062	25,789
Other	133,705	143,624	(9,919)	169,955	75,193	94,762
In-Kind Revenue	-	-	-	522	14,050	(13,528)
Narcotics Forfeitures	40,853	70,000	(29,147)	-	-	-
Total Revenues	609,408	427,868	181,540	8,510,500	8,066,557	443,943
EXPENDITURES						
Salaries and Related Benefits	169,235	227,090	57,855	7,135,481	6,792,978	(342,503)
Travel and Training	25,628	18,685	(6,943)	10,150	5,450	(4,700)
Materials and Supplies	164,709	157,108	(7,601)	55,879	47,304	(8,575)
Automotive Expenditures	7,703	4,545	(3,158)	21,812	23,667	1,855
Contracted Services	108,645	74,059	(34,586)	94,711	123,149	28,438
Law Books and Journals	32,083	27,636	(4,447)	2,143	1,803	(340)
Equipment Rental and Maintenance	65,979	72,858	6,879	24,858	12,031	(12,827)
Telephone	128,948	88,954	(39,994)	45,494	32,960	(12,534)
Transcripts	34,373	40,331	5,958	-	-	-
Witness Expenses	86,347	48,446	(37,901)	25,708	6,612	(19,096)
Extradition	17,589	9,725	(7,864)	-	-	-
Investigative	37,476	21,502	(15,974)	-	-	-
Furniture, Fixtures, and Equipment	37,051	23,220	(13,831)	164,416	110,561	(53,855)
Capital Leases	52,261	-	(52,261)	-	-	-
Miscellaneous	90,634	68,453	(22,181)	37,007	26,669	(10,338)
Insurance and Fidelity Bond	7,420	5,555	(1,865)	386	-	(386)
Office Repairs and Maintenance	10,485	25,788	15,303	-	-	-
Office Improvements	-	1,515	1,515	-	-	-
Computer Equipment Rental and Supplies	64,779	45,818	(18,961)	-	-	-
Rent/Leases	32,447	163,578	131,131	271,911	196,898	(75,013)
Drug Testing Fees	28,967	18,204	(10,763)	40,765	24,000	(16,765)
In-Kind Services	-	-	-	522	-	(522)
Miscellaneous Court Cost	18,162	2,101	(16,061)	2,802	6,187	3,385
Total Expenditures	1,220,921	1,125,171	(95,750)	7,934,045	7,410,269	(523,776)

	General			Special Revenue		
	Actual	Budget	Variance-Favorable (Unfavorable)	Actual	Budget	Variance-Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(611,513)</u>	<u>(697,303)</u>	<u>85,790</u>	<u>576,455</u>	<u>656,288</u>	<u>(79,833)</u>
OTHER FINANCING SOURCES (USES)						
Increase in Obligations Under Capital Leases	52,261	-	52,261	-	-	-
Operating Transfers-Out	(74,545)	-	(74,545)	(772,523)	(694,956)	(77,567)
Operating Transfers-In	694,956	694,956	-	152,112	99,571	52,541
Total Other Financing Sources (Uses)	<u>672,672</u>	<u>694,956</u>	<u>(22,284)</u>	<u>(620,411)</u>	<u>(595,385)</u>	<u>(25,026)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>61,159</u>	<u>(2,347)</u>	<u>63,506</u>	<u>(43,956)</u>	<u>60,903</u>	<u>(104,859)</u>
FUND BALANCES - BEGINNING OF YEAR	-	-	-	516,366	516,366	-
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 61,159</u>	<u>\$ (2,347)</u>	<u>\$ 63,506</u>	<u>\$ 472,410</u>	<u>\$ 577,269</u>	<u>\$ (104,859)</u>

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

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

INTRODUCTION

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.

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT** (the "District Attorney's Office") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

REPORTING ENTITY

For financial reporting purposes, in conformance with GASB Statement 14, the District Attorney includes all funds, account groups and activities that are controlled by the District Attorney as an independent elected parish official. As an independently elected parish official, the District Attorney is solely responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits and the receipt and disbursement of funds. Accordingly, the District Attorney's Office is a separate governmental reporting entity. Certain units of local government over which the District Attorney exercises no oversight responsibility, such as the city council, parish school board, and other independently elected parish officials 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 that of the District Attorney's Office.

FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types" including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The District Attorney's Office has no proprietary funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a non-expendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The District Attorney's Office has two agency funds.

The funds presented in the financial statements are as follows:

General Fund (District Attorney's Expense)

The District Attorney's Office Expense Fund was established in compliance with Revised Statute 15:571.11D, which provides that all of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the expenses of this office, and the criminal courts of Orleans Parish. Statute 15:571 was revised effective September 1, 1986 to require a one-half split of all bond forfeitures, fines, and Criminal Court fund collections between the District Attorney and the Criminal District Court.

Special Revenue Fund (Title IV-D)

The Title IV-D Fund consists of payments made by contract with the Louisiana Department of Social Services as reimbursements for services rendered. The payments received from the Department of Social Services originate with the Department of Health and Human Resources and are authorized by Act 117 of 1975 which established family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligations owed by absent parents to their family and children, to locate absent parents, and to obtain family and child support.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Special Revenue Fund (Payroll Fund)

The District Attorney's Office Payroll Fund was established January 1, 1979 when the District Attorney's Office assumed responsibility for its payroll operation, which was previously handled by the City of New Orleans. Monies appropriated by the City each year are used to pay the salaries of administrative and clerical personnel, part of the salary of the District Attorney and Assistant District Attorneys, payroll taxes and the administrative expenses of the payroll. Monies appropriated by the State of Louisiana each year are used to supplement the salaries of the Assistant District Attorneys (See Note J).

Special Revenue Fund (Juvenile Diversionary Fund)

The Juvenile Diversionary Fund consists of a research grant from the U.S. Department of Health and Human Services, passed through the Directorate of Contracting. The purpose of the grant, which covers a period of November 25, 1998 through August 25, 2001, is designed to be a research project that will examine the effectiveness of intervention programs with first-time, non-violent offenders between the ages of 12 and 16 who are abusing alcohol and other drugs.

Special Revenue Fund (Criminal Justice Grant Fund)

The Criminal Justice Grant Fund consists of various grants from the U.S. Department of Justice, passed through the Louisiana Commission on Law Enforcement. These grants support a wide variety of aspects pertaining to criminal justice. This includes the following:

- Increasing the prosecution of persons who violate state and local laws pertaining to violent crimes.
- Providing assistance to witnesses and crime victims.
- Reducing delays in Criminal and Juvenile Court trials.
- Increasing the information processing capabilities.
- Increasing the prosecution of domestic violence.

Special Revenue Fund (Target Cities Fund)

The Target Cities Fund consists of a grant from the U.S. Department of Health and Human Services via the Center for Substance Abuse Treatment and the Louisiana Department of Health and Hospitals, passed through the State Office of Alcohol and Drug Abuse. The program is designed to be a prosecution diversion program for first-time, non-violent offenders of illegal drug possession. The program utilizes hair and urine testing technologies to monitor the drug use of offenders diverted from prosecution.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Agency Fund (Bond Forfeitures)

The Bond Forfeitures Fund exists to receive bonds forfeited by defendants. These bonds are received by the District Attorney's office and are required to be transferred to the Criminal Sheriff.

Agency Fund (Asset Forfeitures)

The Asset Forfeitures Fund is used to account for assets seized in narcotic cases in which the District Attorney has received the seized assets, pending the final outcome. The assets may have to be returned to the defendant, transferred to another agency or may be shared between the New Orleans Police Department, Criminal District Court and District Attorney. In the latter instance, the District Attorney is responsible for allocating the assets to the respective agencies net of the expenses incurred in handling the assets (i.e., advertising, etc.).

BASIS OF ACCOUNTING

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 measurements made, regardless of the measurement focus applied. The District Attorney's Office records are maintained on a modified accrual basis of accounting for its governmental fund types and agency funds.

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available.

State and city appropriations and interest, if not received by the date due, are accrued at the financial reporting date. Fines and fees, bond forfeitures, and miscellaneous income are recorded when due to the District Attorney's Office. In addition, grants from the U.S. Government are accrued when the District Attorney has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the District Attorney's Office.

Expenditures

Expenditures, under the modified accrual basis of accounting, are recorded at the time liabilities are incurred.

Other Financing Sources (Uses)

Advances between funds that are not expected to be repaid are accounted for as transfers. In those cases in which repayments are expected, the advances are accounted for through the various due to and due from accounts.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING (Continued)

The District Attorney's Office reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

BUDGETS

The District Attorney's Office prepares an annual budget for the District Attorney's General Fund, Title IV-D Fund, Payroll Fund and Target Cities Grant Fund. The budgets are prepared on a basis consistent with Generally Accepted Accounting Principles (GAAP). The budget was made available for public inspection beginning December 15, 1997, at the District Attorney's office and every day until December 17, 1997. A public hearing on the budget was held on December 18, 1997, at the District Attorney's office. There were no amendments to the budget during 1998.

Budget amounts for the Criminal Justice Grant Fund were based on the available grant budgets. Budget amounts for the Juvenile Diversionary Grant Fund were set equal to actual revenues and expenditures incurred in the fund since the grant did not begin operations until December 1998.

Appropriations that are not expended lapse at year end.

ENCUMBRANCES

Encumbrance accounting is not utilized by the District Attorney.

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts.

Under Revised Statute 33:2955, the District Attorney's Office may invest in United States Treasury obligations, United States government agency obligations, time certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal offices in the state of Louisiana, mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940. 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. Investments are stated at cost.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIXED ASSETS

Fixed Assets are recorded as expenditures at the time purchased, and the related assets are reported in the General Fixed Asset Account Group. No depreciation has been provided on fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated assets are valued at estimated market value. The balance at December 31, 1998 consists of \$2,500,515 of historical cost and \$41,300 of estimated market value. The District Attorney's Office policy is to capitalize fixed assets over \$500.

COMPENSATED ABSENCES

The District Attorney's Office has the following policy regarding vacation and sick leave:

Vacation Leave

Employees with one through three years of service accrue vacation days at a rate of 5/6 days per month, or 10 days per year. Vacation days may be carried into the next year as long as the total days carried do not exceed 20. For purposes of computing the carrying over of vacation days, the anniversary date of the employee's hire will be used.

Employees with three through five years of service accrue vacation days at a rate of 1-1/4 days per month or 15 days per year. Vacation days may be carried into the next year as long as the total days carried do not exceed 25.

Employees with five or more years of service accrue vacation days at the rate of 1-2/3 days per month or 20 days per year. Vacation days may be carried into the next year as long as they do not exceed 30.

The District Attorney and/or First Assistant District Attorney may make exceptions to the policy concerning the carrying over of vacation days in circumstances that they deem to be appropriate.

The cost of vacation leave privileges, computed in accordance with the above, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees are paid for accrued leave upon termination, while the cost of leave privileges not requiring current resources is recorded in the General Long-Term Obligations Account Group.

Sick Leave

All employees accrue 4/5 days per month for a total of ten days per year. Sick leave may be retained indefinitely and will not be forfeited if not used within any one year. However, sick leave can not be used toward termination pay.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from the General Fund and Special Revenue Funds are reported in the General Long-Term Obligations Account Group. Expenditures for principal and interest payments for long-term obligations are recognized in the respective fund when paid.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

TOTAL COLUMNS ON STATEMENTS - OVERVIEW

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.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District Attorney's Office financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

NOTE B

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had expenditures in excess of appropriations for the year ended December 31, 1998:

<u>Fund</u>	<u>Total Expenditures</u>		<u>Unfavorable Variance</u>
	<u>Actual</u>	<u>Budget</u>	
General Fund	\$ 1,220,921	\$ 1,125,171	\$ 95,750
Title IV-D Fund	2,159,076	1,965,590	193,486
Payroll Fund	4,606,495	4,407,664	198,831
Target Cities Grant Fund	159,571	145,049	14,522

In addition to the funds listed above, the Criminal Justice Grant Fund had actual expenditures that exceeded budget. However, this unfavorable variance is due to matching salaries paid through state warrant being fully recognized within the first six months of the grant period.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE C

CASH AND CASH EQUIVALENTS

At December 31, 1998, the District Attorney's Office has cash and cash equivalents (book balances) totaling \$281,253 (net of Cash Overdraft of \$46,662) as follows:

Demand Deposits	\$ 215,720
Interest-Bearing Demand Deposits	39,387
Money Market Accounts	24,296
Petty Cash	<u>1,850</u>
Total	<u>\$ 281,253</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of bonds or other interest-bearing securities of the United States, or any agency thereof, 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.

At December 31, 1998, the District Attorney's Office has \$531,692 in deposits (collected bank balances) which was entirely insured or collateralized by securities held by the financial institutions in the District Attorney's Office name (GASB Category 2).

NOTE D

INVESTMENTS

During 1998, the District Attorney's Office purchased repurchase agreements. The aggregate amount invested in repurchase agreements during 1998 was \$500,000. All were secured with U.S. Treasury Notes. At December 31, 1998, there are no outstanding repurchase agreements.

NOTE E

CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1998	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 1998
Automobiles	\$ 837,283	\$ 20,400	\$ 31,260	\$ 826,423
Furniture, Fixtures and Equipment	<u>1,648,622</u>	<u>280,036</u>	<u>213,266</u>	<u>1,715,392</u>
	<u>\$ 2,485,905</u>	<u>\$ 300,436</u>	<u>\$ 244,526</u>	<u>\$ 2,541,815</u>

The additions to Automobiles consist of a vehicle that was seized and retained by the District Attorney's Office through its Asset Forfeiture Division.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE F

PENSION PLANS

**DISTRICT ATTORNEY'S CLERICAL AND ADMINISTRATIVE EMPLOYEES
RETIREMENT PLAN AND TRUST**

All employees, after completion of 3 months employment and have attained age 18, are eligible to join the District Attorney's Clerical and Administrative Retirement Plan and Trust. This plan was established January 1, 1982, and the IRS has made a favorable determination in a letter dated June 10, 1982 based on Section 1.401-1(b)(3) of the Income Tax Regulations. The plan was a defined contribution, money purchase plan, but was converted to a defined contribution thrift plan during the year. The plan is voluntary and employees who elect to participate are required to contribute 5% of their annual compensation that is matched by the District Attorney's office. Voluntary contributions up to an additional 5% of annual salaries are allowed. No office match is made on the voluntary contributions. Vesting is 100% after three years of service. During 1994, the plan was amended to allow for the participation of all employees of the District Attorney's Office, including Assistant District Attorneys.

For 1998, the plan administrator was Eric Montz. The plan trustee is Bank One. Other than the annual contributions made to the system, and recorded as expenditures, the District Attorney's Office does not guarantee any of the benefits granted by the retirement system.

During 1998, mandatory contributions to the plan made by employees amounted to \$82,235. In addition to the mandatory contributions, employees contributed an additional \$5,909 of voluntary contributions to the plan. The District Attorney's Office contributions allocated for the plan years ending December 31, 1998, 1997 and 1996 amounted to \$50,215, \$80,708 and \$98,700, respectively, of which \$50,215, \$77,659 and \$98,700 were actual cash contributions to the plan, with the remainder being forfeitures used to reduce employer contributions.

DISTRICT ATTORNEY'S RETIREMENT SYSTEM

The District Attorney and the Assistant District Attorneys are members of the Louisiana District Attorneys' Retirement System (DARS). The Louisiana District Attorneys' Retirement System (the "Plan") is multiple-employer, defined benefit pension plan which is administered and controlled by a board of trustees. It provides retirement, disability and death benefits to plan members and beneficiaries. The Louisiana District Attorney's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by calling 504-947-5551.

Plan members are required to contribute 7% of their annual covered salary. For the Plan's fiscal year of July 1, 1997 through June 30, 1998, the District Attorney's Office is required to contribute 1.25% of annual covered payroll. The contribution requirements of plan members and the District Attorney's Office are established by the Plan's Board of Trustees. The Plan also receives revenue sharing funds as appropriated by the legislature and Ad Valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of .2% of the Ad Valorem taxes shown to be collected.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE F

PENSION PLANS (Continued)

DISTRICT ATTORNEY'S RETIREMENT SYSTEM (Continued)

Members contribute to the retirement system on their total salary from all sources - salary paid by the State of Louisiana, paid by the parish(es); or any other governing body of a parish or political subdivision of the State of Louisiana, etc.

The District Attorney's Office contributions to the Plan for the years ending December 31, 1998, 1997 and 1996 were \$6,769, \$19,487, and \$28,036, respectively, equal to the required contributions for each year.

In 1990 substantial changes were made to the DARS. The changes to survivors' benefits are effective for everyone. Other changes are effective by election to be under the new provisions as amended by R.S. 16:1042.1.

Employees can retire providing they meet one of the following criteria:

RETIREMENT PROVISIONS UNDER R.S. 16:1042 (Old Plan)

- (1) Accrual Rate 3% per year of service
- (2) Normal Retirement 30 years of service regardless of age
 23 years of service and age 55
 18 years of service and age 60
 10 years of service and age 62
- (3) Early Retirement Members are eligible for early retirement at age 60 if they have 10 years of creditable service, or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service receive a retirement benefit reduced 3% for each year of age below 60.

Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each below the age of 62.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE F

PENSION PLANS (Continued)

DISTRICT ATTORNEY'S RETIREMENT SYSTEM (Continued)

**RETIREMENT PROVISIONS UNDER R.S. 16:1042.1
AS AMENDED IN 1990 (New Plan)**

- | | | |
|-----|---------------------------------------|--|
| (1) | Accrual Rate 3.5% per year of service | |
| (2) | Normal Retirement | 30 years of service regardless of age
24 years of service and age 55
10 years of service and age 60 |
| (3) | Early Retirement | 18 years of service and age 55 with benefits reduced 3% for each year received in advance of normal retirement age |

Disability Benefits

Disability benefits are awarded to active contributing members with at least ten years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives benefits equal to 3% (3.5% under New Plan) of his final compensation multiplied by the lesser of his actual service (not to be less than 15 years) or projected continued service to age 60.

Survivor Benefits

Upon the death of a member with less than five years of creditable service, his accumulated contributions and interest thereon are paid to his spouse or designated beneficiary. Upon the death of any active, contributing member with more than five years of service or any member with twenty-three years of service who is not retired, reduced benefits are payable to the surviving spouse or designated beneficiary. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest retirement age. If a member has no surviving spouse, the surviving children under age 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE F

PENSION PLANS (Continued)

CITY OF NEW ORLEANS EMPLOYEES' RETIREMENT SYSTEM

During 1997, clerical and administrative employees of the District Attorney's Office, who were not already receiving benefits from any of the City of New Orleans other retirement plans, became members of the Employees' Retirement System of the City of New Orleans (the "Retirement System"). The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of a board of trustees. The Retirement System is a combination Defined Benefit and Defined Contribution Pension plan established under the laws of the State of Louisiana. The general administration and the responsibility for the proper operation of the Retirement System and for making effective the provisions of the Retirement Ordinance are vested in the five member Board of Trustees of the Retirement System. The Employees' Retirement System of the City of New Orleans issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by calling 504-826-1985.

Retirement System members are required to contribute 4% of their salary in excess of \$1,200 per year. Employer contributions to the Retirement System are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years beginning July 1, 1974, using the level percentage of payroll method. The contribution requirements of Retirement System members and the District Attorney's Office are established and may be amended by the Retirement System's board of trustees. The District Attorney's Office contributed \$111,433 and \$114,897 to the plan during 1998 and 1997, respectively. However, the District Attorney's Office does not guarantee any of the benefits granted by the plan.

Employees with thirty years of service, or who attain age 60 with ten years of service, or age 65, irrespective of length of service are entitled to a retirement allowance. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employee's accumulated contribution, plus an annual pension, which, together with the annuity, provides a total retirement allowance equal to 2% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age 62.. Average compensation is defined as average annual earned compensation for the highest thirty-six successive months of service, less \$1,200. Mandatory retirement age is 70.

Disability Benefits

Disability benefits are awarded to active members with 10 or more years of creditable service if a physician nominated by the board certifies that the member is totally incapacitated and that such incapability is likely to be permanent. The member receives an annuity, which is the actuarial equivalent to the employee's accumulated contribution, plus an annual pension, which, together with the annuity, shall be 75% of the service allowance that would have been payable upon service retirement at age 65, had the member continued in service to the age of 65. Such allowance is to be computed on the average compensation, plus the sum \$1,200 provided, however, that the minimum annual retirement allowance will be \$300 per year.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE G

COMPENSATED ABSENCES

At December 31, 1998, employees of the District Attorney's Office had accumulated and vested \$285,301 of employee leave benefits, which was computed in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". The entire balance is recorded within the General Long-Term Obligations Account Group.

NOTE H

LEASES

The District Attorney's Office records equipment under capital leases as an asset and an obligation in the accompanying financial instruments.

Minimum future lease payments under capital lease as of December 31, 1998 through the end of the lease are:

<u>December 31,</u>	<u>Amount</u>
1999	\$ 65,369
2000	26,033
2001	<u>18,845</u>
Total Minimum Lease Payments	110,247
Less Interest	<u>5,985</u>
Present Value of Net Minimum Lease Payments	<u>\$ 104,262</u>

The District Attorney's Office is committed under various leases for equipment and office space. These leases are considered for accounting purposes to be operating leases. Future minimum lease payments for the leases follows:

<u>December 31,</u>	<u>Amount</u>
1999	\$ 245,660
2000	237,910
2001	237,910
2002	237,910
2003	<u>140,850</u>
	<u>\$ 1,100,240</u>

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE I

CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1998</u>
Capital Leases	\$ 306,313	\$ 52,261	\$ 254,312	\$ 104,262
Compensated Absences	<u>260,500</u>	<u>24,801*</u>	<u>-</u>	<u>285,301</u>
	<u>\$ 566,813</u>	<u>\$ 77,062</u>	<u>\$ 254,312</u>	<u>\$ 389,563</u>

* Net Change

NOTE J

ON-BEHALF PAYMENTS (STATE WARRANTS)

The State of Louisiana provides direct payments of salaries to assistant district attorneys, as designated by the District Attorney's Office. These payments, referred to as "state warrants", provide these assistant district attorneys with their base salary. If the District Attorney's Office wishes to pay these assistant district attorneys a salary greater than the amount of the state warrant (currently \$30,000 per year), the additional amount is paid out of the District Attorney's Office Payroll Fund.

In accordance with GASB No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance", the amount of state warrants paid directly to assistant district attorneys, as well as the related benefits, has been recognized by the District Attorney's Office as revenues and expenditures. The amount recognized for the year ended December 31, 1998 and 1997 was \$2,381,429 and \$2,283,815, respectively.

The accompanying financial statements do not include certain expenses of the District Attorney's Office paid out of the funds of the Criminal District Court, or directly by the City of New Orleans. Those expenses are summarized as follows:

- Major upkeep of the building located at 619 South White Street.
- Electric, gas and water consumed in the building.
- Portion of the gasoline used by office automobiles.

GASB No. 24 does not require that the amounts pertaining to these expenses be reflected in the general purpose financial statements.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE K

LITIGATION

The District Attorney's Office is defendant in several lawsuits. In the opinion of legal counsel for the District Attorney's Office, the amount, if any, that would be required to be paid would be immaterial to the financial statements.

NOTE L

CONTINGENT LIABILITY

In an audit performed on the Child Support Enforcement Division, for the three year period ended June 30, 1988, by the Federal Department of Health and Human Services, it was concluded that a total amount of \$40,102 of cost had been disallowed. Of this amount, the Division should have to reimburse the State's Department of Social Services for the Federal and State portion that totals \$29,694. No accrual has been made in the financial statements for this amount because the state has agreed not to demand payment at the present time.

Also, in an audit performed on the Child Support Enforcement Division for the three year period ended June 30, 1997, by the Federal Department of Health and Human Services, it was concluded that a total amount of \$252,124 of cost had been disallowed. Of this amount, the Division should have to reimburse the State's Department of Social Services for the Federal portion that totals \$166,402. The Division is contesting the amount of the disallowed cost, and no final reimbursement amount has been determined. As such, no accrual has been made in the financial statements because the amount of disallowed costs to be reimbursed by the Division cannot be reasonably estimated.

NOTE M

INTERFUND RECEIVABLES/PAYABLES

The District Attorney's Office has interfund receivables and payables that cancel each other.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 458,718	\$ 223,908
Agency Funds	3,158	4,612
Special Revenue Funds		
Title IV-D Fund	-	216,754
Payroll Fund	543,016	195,833
Target Cities Grant	75,516	128,285
Juvenile Diversionary Grant	-	20,378
Criminal Justice Grant Fund	<u>100,189</u>	<u>390,827</u>
	<u>\$ 1,180,597</u>	<u>\$ 1,180,597</u>

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE N

ECONOMIC DEPENDENCY

The District Attorney's Office receives the majority of its revenues from funds provided through the City of New Orleans, the State of Louisiana, and various Federal grants and contracts. If significant budget cuts are made at the Federal, State or local level, the amount of the funds the District Attorney's Office receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the District Attorney's Office will receive in the next fiscal year.

NOTE O

YEAR 2000 COMPLIANCE (UNAUDITED)

Time and space saving programming decisions made in prior years resulted in two-digit computer codes that may not correctly recognize "00" as the year 2000. Serious processing errors or system failure could result. To prevent this error, computer systems and equipment must be reprogrammed or replaced to make them year 2000 compliant.

The District Attorney's Office is significantly dependant on computerized systems for essential operations and to provide services to citizens. As a continuing process, the District Attorney's Office is actively engaged in making necessary changes to its computer software to achieve year 2000 compliance. These changes include system upgrades and equipment replacements.

The systems of the District Attorney's Office are in various stages of implementation, as follows:

	<u>Awareness</u>	<u>Assessment</u>	<u>Remediation</u>	<u>Validation</u>
Financial				X
D.A.'s Office				X
Child Support				
Personnel-Payroll				
D.A.'s Office				X
Child Support				X
Case Tracking				
D.A.'s Office			X	
Child Support				X

The stages of year 2000 compliance are defined as follows:

Awareness – Budget and project plan established.

Assessment – Identification and inventory of year 2000 compliance performed.

Remediation – Technical conversion of existing system completed.

Validation – Test data developed, processed, and reviewed for results to determine converted systems operate properly.

SPECIAL REVENUE FUNDS

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
 ORLEANS PARISH, LOUISIANA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS

December 31, 1998

With Comparative Totals for December 31, 1997

ASSETS

	Title IV-D Fund	Payroll Fund	Target Cities Fund	Juvenile Diversionary Grant Fund	Criminal Justice Grant Fund	Totals
						1998 1997
ASSETS						
Cash and Investments	\$ 210,423	\$ 44,833	\$ 33,360	\$ -	\$ -	\$ 288,616 \$ 207,760
Accounts Receivable						
Due from Funding Source	-	-	39,193	20,378	292,199	351,770 99,706
Miscellaneous	4,649	-	-	-	-	4,649 2,094
Due from Other Funds	-	543,016	75,516	-	100,189	718,721 739,431
Due from State of Louisiana	330,508	-	-	-	-	330,508 228,305
Total Assets	<u>\$ 545,580</u>	<u>\$ 587,849</u>	<u>\$ 148,069</u>	<u>\$ 20,378</u>	<u>\$ 392,388</u>	<u>\$ 1,694,264</u> <u>\$ 1,277,296</u>

LIABILITIES AND FUND BALANCE

LIABILITIES						
Accounts Payable	\$ 31,585	\$ 119,424	\$ -	\$ -	\$ -	\$ 151,009 \$ 23,974
Salaries Payable	26,425	24,124	-	-	-	50,549 50,549
Due to Funding Source	-	-	-	-	-	- 3,390
Payroll Deductions Payable	-	66,658	-	-	-	66,658 4,658
Due to Other Funds	216,754	195,833	128,285	20,378	390,827	952,077 678,359
Deferred Revenue	-	-	-	-	1,561	1,561 -
Total Liabilities	<u>274,764</u>	<u>406,039</u>	<u>128,285</u>	<u>20,378</u>	<u>392,388</u>	<u>1,221,854</u> <u>760,930</u>
FUND BALANCES						
Unreserved, Undesignated	270,816	181,810	19,784	-	-	472,410 516,366
Total Fund Balances	<u>270,816</u>	<u>181,810</u>	<u>19,784</u>	<u>-</u>	<u>-</u>	<u>472,410</u> <u>516,366</u>
Total Liabilities and Fund Balances	<u>\$ 545,580</u>	<u>\$ 587,849</u>	<u>\$ 148,069</u>	<u>\$ 20,378</u>	<u>\$ 392,388</u>	<u>\$ 1,694,264</u> <u>\$ 1,277,296</u>

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1998
With Comparative Totals for December 31, 1997

	Title IV-D Fund	Payroll Fund	Target Cities Fund	Juvenile Diversionary Grant Fund	Criminal Justice Grant Fund	Totals	
						1998	1997
REVENUES							
City of New Orleans							
Administrative Payroll	\$ -	\$ 2,751,616	\$ -	\$ -	\$ -	\$ 2,751,616	\$ 2,232,833
Operating Appropriation	-	-	-	-	-	-	122,650
Payroll and Other Interest	-	-	-	-	-	-	1,622
Expense Reimbursement	1,914,480	-	-	-	-	1,914,480	1,393,956
Incentive Income	380,754	-	-	-	-	380,754	622,754
Federal and State Grant Revenue	-	-	103,305	20,378	714,996	838,679	638,689
State Warrants	-	2,264,706	-	-	116,723	2,381,429	2,283,815
Drug Testing Fees	-	-	35,214	-	-	35,214	14,722
Program Fees	-	-	37,851	-	-	37,851	11,351
In-Kind Revenue	-	-	-	-	522	522	5,893
Other	16,601	149,182	-	-	4,172	169,955	77,489
Total Revenues	<u>2,311,835</u>	<u>5,165,504</u>	<u>176,370</u>	<u>20,378</u>	<u>836,413</u>	<u>8,510,500</u>	<u>7,405,774</u>
EXPENDITURES							
Salaries and Related Benefits	1,711,955	4,606,495	101,756	8,324	706,951	7,135,481	6,365,747
Travel and Training	10,150	-	-	-	-	10,150	17,881
Materials and Supplies	52,382	-	3,497	-	-	55,879	60,746
Automotive Expenditures	21,812	-	-	-	-	21,812	19,056
Contracted Services	27,515	-	860	-	66,336	94,711	50,060
Law Books and Journals	2,143	-	-	-	-	2,143	1,773
Equipment Rental and Maintenance	18,618	-	6,240	-	-	24,858	18,479
Telephone	41,614	-	3,880	-	-	45,494	33,959
Furniture, Fixtures, and Equipment	73,749	-	2,081	12,054	76,532	164,416	44,734
Capitalized Leases	-	-	-	-	-	-	198,190
Witness Expenses	-	-	-	-	25,708	25,708	70,900
Miscellaneous	13,173	-	106	-	23,728	37,007	60,984
Insurance and Fidelity Bond	-	-	386	-	-	386	-
Rent/Leases	183,163	-	-	-	88,748	271,911	77,729
Drug Testing Fees	-	-	40,765	-	-	40,765	23,775
In-Kind Services	-	-	-	-	522	522	5,893
Filing Fees, Subpoenas, Etc.	2,802	-	-	-	-	2,802	5,340
Total Expenditures	<u>2,159,076</u>	<u>4,606,495</u>	<u>159,571</u>	<u>20,378</u>	<u>988,525</u>	<u>7,934,045</u>	<u>7,055,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>152,759</u>	<u>559,009</u>	<u>16,799</u>	<u>-</u>	<u>(152,112)</u>	<u>576,455</u>	<u>350,528</u>
OTHER FINANCING SOURCES (USES)							
Increases in Obligations Under							
Capital Leases	-	-	-	-	-	-	198,190
Operating Transfers-Out	-	(772,523)	-	-	-	(772,523)	(602,271)
Operating Transfers-In	-	-	-	-	152,112	152,112	82,213
Total Other Financing Sources (Uses)	<u>-</u>	<u>(772,523)</u>	<u>-</u>	<u>-</u>	<u>152,112</u>	<u>(620,411)</u>	<u>(321,868)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>152,759</u>	<u>(213,514)</u>	<u>16,799</u>	<u>-</u>	<u>-</u>	<u>(43,956)</u>	<u>28,660</u>
FUND BALANCES - BEGINNING OF YEAR	<u>118,057</u>	<u>395,324</u>	<u>2,985</u>	<u>-</u>	<u>-</u>	<u>516,366</u>	<u>487,706</u>
FUND BALANCES - END OF YEAR	<u>\$ 270,816</u>	<u>\$ 181,810</u>	<u>\$ 19,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,410</u>	<u>\$ 516,366</u>

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL BY FUNDS - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1998

	Title IV-D Fund			Payroll Fund		
	Actual	Budget	Variance-Favorable (Unfavorable)	Actual	Budget	Variance-Favorable (Unfavorable)
REVENUES						
City of New Orleans						
Administrative Payroll	\$ -	\$ -	\$ -	\$ 2,751,616	\$ 2,751,616	\$ -
Operating Appropriation	-	-	-	-	-	-
Payroll and Other Interest	-	7,086	(7,086)	-	5,000	(5,000)
Expense Reimbursement	1,914,480	1,401,617	512,863	-	-	-
Incentive Income	380,754	618,000	(237,246)	-	-	-
Federal and State Grant Revenue	-	-	-	-	-	-
State Warrants	-	-	-	2,264,706	2,270,539	(5,833)
Drug Testing Fees	-	-	-	-	-	-
Program Fees	-	62	(62)	-	-	-
In-Kind Revenue	-	-	-	-	-	-
Other	16,601	3,193	13,408	149,182	72,000	77,182
Total Revenues	2,311,835	2,029,958	281,877	5,165,504	5,099,155	66,349
EXPENDITURES						
Salaries and Related Benefits	1,711,955	1,656,853	(55,102)	4,606,495	4,407,664	(198,831)
Travel and Training	10,150	5,150	(5,000)	-	-	-
Materials and Supplies	52,382	47,304	(5,078)	-	-	-
Automotive Expenditures	21,812	23,667	1,855	-	-	-
Contracted Services	27,515	41,200	13,685	-	-	-
Law Books and Journals	2,143	1,803	(340)	-	-	-
Equipment Rental and Maintenance	18,618	12,031	(6,587)	-	-	-
Telephone	41,614	32,960	(8,654)	-	-	-
Furniture, Fixtures, and Equipment	73,749	20,600	(53,149)	-	-	-
Capitalized Leases	-	-	-	-	-	-
Witness Expenses	-	-	-	-	-	-
Miscellaneous	13,173	9,685	(3,488)	-	-	-
Insurance and Fidelity Bonds	-	-	-	-	-	-
Rent/Leases	183,163	108,150	(75,013)	-	-	-
Drug Testing Fees	-	-	-	-	-	-
In-Kind Services	-	-	-	-	-	-
Filing Fees, Subpoenas, Etc.	2,802	6,187	3,385	-	-	-
Total Expenditures	2,159,076	1,965,590	(193,486)	4,606,495	4,407,664	(198,831)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	152,759	64,368	88,391	559,009	691,491	(132,482)
OTHER FINANCING SOURCES (USES)						
Increases in Obligations Under						
Capital Leases	-	-	-	-	-	-
Operating Transfers-Out	-	-	-	(772,523)	(694,956)	(77,567)
Operating Transfers-In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(772,523)	(694,956)	(77,567)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	152,759	64,368	88,391	(213,514)	(3,465)	(210,049)
FUND BALANCES - BEGINNING OF YEAR	118,057	118,057	-	395,324	395,324	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 270,816	\$ 182,425	\$ 88,391	\$ 181,810	\$ 391,859	\$ (210,049)

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL BY FUNDS - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1998**

	Target Cities			Juvenile Diversionary Grant Fund		
	Actual	Budget	Variance- Favorable (Unfavorable)	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES						
City of New Orleans						
Administrative Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Appropriation	-	-	-	-	-	-
Payroll and Other Interest	-	-	-	-	-	-
Expense Reimbursement	-	-	-	-	-	-
Incentive Income	-	-	-	-	-	-
Federal and State Grant Revenue	103,305	121,049	(17,744)	20,378	20,378	-
State Warrants	-	-	-	-	-	-
Drug Testing Fees	35,214	12,000	23,214	-	-	-
Program Fees	37,851	12,000	25,851	-	-	-
In-Kind Revenue	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	<u>176,370</u>	<u>145,049</u>	<u>31,321</u>	<u>20,378</u>	<u>20,378</u>	<u>-</u>
EXPENDITURES						
Salaries and Related Benefits	101,756	118,166	16,410	8,324	8,324	-
Travel and Training	-	300	300	-	-	-
Materials and Supplies	3,497	-	(3,497)	-	-	-
Automotive Expenditures	-	-	-	-	-	-
Contracted Services	860	-	(860)	-	-	-
Law Books and Journals	-	-	-	-	-	-
Equipment Rental and Maintenance	6,240	-	(6,240)	-	-	-
Telephone	3,880	-	(3,880)	-	-	-
Furniture, Fixtures, and Equipment	2,081	2,000	(81)	12,054	12,054	-
Capitalized Leases	-	-	-	-	-	-
Witness Expenses	-	-	-	-	-	-
Miscellaneous	106	583	477	-	-	-
Insurance and Fidelity Bond	386	-	(386)	-	-	-
Rent/Leases	-	-	-	-	-	-
Drug Testing Fees	40,765	24,000	(16,765)	-	-	-
In-Kind Services	-	-	-	-	-	-
Filing Fees, Subpoenas, Etc.	-	-	-	-	-	-
Total Expenditures	<u>159,571</u>	<u>145,049</u>	<u>(14,522)</u>	<u>20,378</u>	<u>20,378</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>16,799</u>	<u>-</u>	<u>16,799</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Increases in Obligations Under						
Capital Leases	-	-	-	-	-	-
Operating Transfers-Out	-	-	-	-	-	-
Operating Transfers-In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>16,799</u>	<u>-</u>	<u>16,799</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - BEGINNING OF YEAR	<u>2,985</u>	<u>2,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 19,784</u>	<u>\$ 2,985</u>	<u>\$ 16,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL BY FUNDS - SPECIAL REVENUE FUNDS
For The Year Ended December 31, 1998

	Criminal Justice Grant Fund			Total Special Revenue		
	Actual	Budget	Variance- Favorable (Unfavorable)	Actual	Budget	Variance- Favorable (Unfavorable)
REVENUES						
City of New Orleans						
Administrative Payroll	\$ -	\$ -	\$ -	\$ 2,751,616	\$ 2,751,616	\$ -
Operating Appropriation	-	-	-	-	-	-
Payroll and Other Interest	-	-	-	-	12,086	(12,086)
Expense Reimbursement	-	-	-	1,914,480	1,401,617	512,863
Incentive Income	-	-	-	380,754	618,000	(237,246)
Federal Grant Revenue	714,996	690,912	24,084	838,679	832,339	6,340
State Warrants	116,723	67,055	49,668	2,381,429	2,337,594	43,835
Drug Testing Fees	-	-	-	35,214	12,000	23,214
Program Fees	-	-	-	37,851	12,062	25,789
In-Kind Revenue	522	14,050	(13,528)	522	14,050	(13,528)
Other	4,172	-	4,172	169,955	75,193	94,762
Total Revenues	836,413	772,017	64,396	8,510,500	8,066,557	443,943
EXPENDITURES						
Salaries and Related Benefits	706,951	601,971	(104,980)	7,135,481	6,792,978	(342,503)
Travel and Training	-	-	-	10,150	5,450	(4,700)
Materials and Supplies	-	-	-	55,879	47,304	(8,575)
Automotive Expenditures	-	-	-	21,812	23,667	1,855
Contracted Services	66,336	81,949	15,613	94,711	123,149	28,438
Law Books and Journals	-	-	-	2,143	1,803	(340)
Equipment Rental and Maintenance	-	-	-	24,858	12,031	(12,827)
Telephone	-	-	-	45,494	32,960	(12,534)
Furniture, Fixtures, and Equipment	76,532	75,907	(625)	164,416	110,561	(53,855)
Capitalized Leases	-	-	-	-	-	-
Witness Expenses	25,708	6,612	(19,096)	25,708	6,612	(19,096)
Miscellaneous	23,728	16,401	(7,327)	37,007	26,669	(10,338)
Insurance and Fidelity Bond	-	-	-	386	-	(386)
Rent/Leases	88,748	88,748	-	271,911	196,898	(75,013)
Drug Testing Fees	-	-	-	40,765	24,000	(16,765)
In-Kind Services	522	-	(522)	522	-	(522)
Filing Fees, Subpoenas, Etc.	-	-	-	2,802	6,187	3,385
Total Expenditures	988,525	871,588	(116,937)	7,934,045	7,410,269	(523,776)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(152,112)	(99,571)	(52,541)	576,455	656,288	(79,833)
OTHER FINANCING SOURCES (USES)						
Increases in Obligations Under						
Capital Leases	-	-	-	-	-	-
Operating Transfers-Out	-	-	-	(772,523)	(694,956)	(77,567)
Operating Transfers-In	152,112	99,571	52,541	152,112	99,571	52,541
Total Other Financing Sources (Uses)	152,112	99,571	52,541	(620,411)	(595,385)	(25,026)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	-	-	(43,956)	60,903	(104,859)
FUND BALANCES - BEGINNING OF YEAR	-	-	-	516,366	516,366	-
FUND BALANCES (DEFICITS) - END OF YEAR	\$ -	\$ -	\$ -	\$ 472,410	\$ 577,269	\$ (104,859)

AGENCY FUNDS

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING BALANCE SHEET
AGENCY FUNDS**

December 31, 1998

With Comparative Totals for December 31, 1997

	Bond Forfeitures Fund	Assets Forfeitures Fund	Totals December 31,	
			1998	1997
ASSETS				
Cash	\$ 16,700	\$ 21,643	\$ 38,343	\$ 262,171
Due from Surety	-	-	-	18,000
Due from Criminal District Court	3,157	-	3,157	-
Due from General Fund	3,158	-	3,158	1,275
Total Assets	\$ 23,015	\$ 21,643	\$ 44,658	\$281,446
 LIABILITIES				
Due to General Fund	\$ -	\$ 4,612	\$ 4,612	\$ 3,871
Due to Sheriff	-	-	-	200,000
Bonds Held for Future Disposition	23,015	-	23,015	31,843
Asset Forfeitures Held for Future Disposition	-	17,031	17,031	45,732
Total Liabilities	\$ 23,015	\$ 21,643	\$ 44,658	\$ 281,446

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For The Year Ended December 31, 1998**

	<u>January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 1998</u>
BOND FORFEITURE				
Assets				
Cash	\$ 212,568	\$ 146,636	\$ 342,504	\$ 16,700
Due from Surety	18,000	-	18,000	-
Due from Criminal District Court	-	3,157	-	3,157
Due from General Fund	<u>1,275</u>	<u>3,158</u>	<u>1,275</u>	<u>3,158</u>
Total Assets	<u>\$ 231,843</u>	<u>\$ 152,951</u>	<u>\$ 361,779</u>	<u>\$ 23,015</u>
Liabilities				
Due to Sheriff	\$ 200,000	\$ -	\$ 200,000	\$ -
Bonds Held for Future Disposition	<u>31,843</u>	<u>152,951</u>	<u>161,779</u>	<u>23,015</u>
Total Liabilities	<u>\$ 231,843</u>	<u>\$ 152,951</u>	<u>\$ 361,779</u>	<u>\$ 23,015</u>
ASSET FORFEITURE				
Assets				
Cash	\$ 49,603	\$ 362,016	\$ 389,976	\$ 21,643
Due from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 49,603</u>	<u>\$ 362,016</u>	<u>\$ 389,976</u>	<u>\$ 21,643</u>
Liabilities				
Due to General Fund	\$ 3,871	\$ 741	\$ -	\$ 4,612
Asset Forfeitures Held for Future Disposition	<u>45,732</u>	<u>362,016</u>	<u>390,717</u>	<u>17,031</u>
Total Liabilities	<u>\$ 49,603</u>	<u>\$ 362,757</u>	<u>\$ 390,717</u>	<u>\$ 21,643</u>

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For The Year Ended December 31, 1998**

	<u>January 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 1998</u>
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash	\$ 262,171	\$ 508,652	\$ 732,480	\$ 38,343
Dues from Surety	18,000	-	18,000	-
Due from Criminal District Court	-	3,157	-	3,157
Due from General Fund	<u>1,275</u>	<u>3,158</u>	<u>1,275</u>	<u>3,158</u>
Total Assets	<u>\$ 281,446</u>	<u>\$ 514,967</u>	<u>\$ 751,755</u>	<u>\$ 44,658</u>
Liabilities				
Due to General Fund	\$ 3,871	\$ 741	\$ -	\$ 4,612
Due to Sheriff	200,000	-	200,000	-
Bonds Held for				
Future Disposition	31,843	152,951	161,779	23,015
Asset Forfeitures				
Held for Future Disposition	<u>45,732</u>	<u>362,016</u>	<u>390,717</u>	<u>17,031</u>
Total Liabilities	<u>\$ 281,446</u>	<u>\$ 515,708</u>	<u>\$ 752,496</u>	<u>\$ 44,658</u>

OMB CIRCULAR A-133 SECTION

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 1998

PROGRAM TITLE	CFDA #	Agency or Pass-Through Number	Grant Period	Total Grant Award	Revenue Recognized	Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
Passed through the Louisiana Department of Social Services:						
Child Support Enforcement (Title IV-D)	93.563	355	7/1/97 - 6/30/98	\$ 1,636,026	\$ 737,322	\$ 737,322
Child Support Enforcement (Title IV-D)	93.563	355	7/1/98 - 6/30/99	2,384,589	776,924	776,924
Passed through the Louisiana Department of Health and Hospitals						
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities Grant	93.196	351	7/1/97 - 6/30/98	121,049	42,338	42,338
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities Grant	93.196	351	7/1/98 - 6/30/99	22,132	22,132	22,132
Passed through the Directorate of Contracting						
Consolidated Knowledge Development and Application Program - Juvenile Diversionary Program	93.230	DABT63-98-1-0013	11/25/98 - 8/25/01	1,595,546	20,378	20,378
<u>U.S. DEPARTMENT OF JUSTICE</u>						
Passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice:						
Drug Control and Systems Improvement - Formula Grant Juvenile Court Delay Reduction	16.579	N/A	8/1/97 - 7/31/98	32,000	16,322	16,322
Subgrant No. 97-B9-B.10-0044	16.579	N/A	8/1/98 - 6/30/99	32,000	16,506	16,506
Subgrant No. 98-B9-B.10-0019						
Drug Control and Systems Improvement - Formula Grant Criminal District Court Delay Reduction	16.579	N/A	7/1/97 - 6/30/98	73,000	39,474	39,474
Subgrant No. 97-B9-B.10-0046	16.579	N/A	7/1/98 - 6/30/99	73,000	37,123	37,123
Subgrant No. 98-B9-B.10-0018						
Drug Control and Systems Improvement - Formula Grant District Attorney's Information Systems Grant	16.579	N/A	5/1/97 - 4/30/98	35,000	23,401	23,401
Subgrant No. 96-B9-B.15-0086	16.579	N/A	5/1/98 - 4/30/99	35,000	14,852	14,852
Subgrant No. 98-B9-B.15-0020						
Drug Control and Systems Improvement - Formula Grant District Attorney's Information Systems Upgrade Grant						

DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
 ORLEANS PARISH, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 1998

PROGRAM TITLE	CFDA #	Agency or Pass-Through Number	Grant Period	Total Grant Award	Revenue Recognized	Expenditures
Subgrant No. 95-B9-B.15-0107	16.579	N/A	10/1/97 - 9/30/98	111,167	111,167	111,167
U.S. DEPARTMENT OF JUSTICE (Continued)						
Drug Control and Systems Improvement - Formula Grant District Attorney's Witness Assistance Program						
Subgrant No. 97-B9-B.14-0081	16.579	N/A	10/1/97 - 9/30/98	68,000	47,467	47,467
Subgrant No. 98-B9-B.14-0080	16.579	N/A	10/1/98 - 9/30/99	68,000	15,869	15,869
Drug Control and Systems Improvement - Formula Grant Violent Offenders Strike Force						
Subgrant No. 97-B9-B.08-0045	16.579	N/A	5/1/97 - 4/30/98	199,000	65,397	65,397
Subgrant No. 98-B9-B.24-0047	16.579	N/A	5/1/98 - 4/30/99	200,000	155,811	155,811
Crime Victim Assistance - Victim Advocate Program						
Subgrant No. 97-C9-V.2-0332	16.575	N/A	10/1/97 - 9/30/98	48,000	34,409	34,409
Subgrant No. 98-C9-V.2-0311	16.575	N/A	10/1/98 - 9/30/99	41,164	12,465	12,465
Crime Victim Assistance - Short-Term Victim Relief						
Subgrant No. 97-C9-V.4-0378	16.575	N/A	6/1/98 - 5/31/99	27,000	4,733	4,733
Violence Against Women Formula Grant Anti-Stalking Program						
Subgrant No. 96-M9-M.06-0433	16.588	N/A	1/1/98 - 12/31/98	120,000	120,000	120,000
				\$ 6,921,673	\$ 2,314,090	\$ 2,314,090

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
ORLEANS PARISH, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 1998**

NOTE A

BASIS OF PRESENTATION

The accompanying schedule of Federal Financial Assistance has been prepared on the modified accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when the District Attorney's Office has met the cost reimbursement or funding requirements for the respective grants.

NOTE B

OTHER MATTERS

The Federal Financial Assistance pertaining to the Title IV-D Fund is included in "Expense Reimbursement" in the financial statements. All other Federal Financial Assistance is included in "Federal and State Grant Revenue" in the financial statements. A reconciliation of the amount of Federal Financial Assistance recognized in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances to the Schedule of Federal Financial Assistance follows:

Federal Portion of Expense Reimbursement Reported	\$ 1,514,246
Total Federal and State Grant Revenue Reported	838,679
State Portion of Target Cities Funding	<u>(38,835)</u>
Total Federal Financial Assistance Reported	<u>\$ 2,314,090</u>



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

The Honorable Harry F. Connick
District Attorney of the Orleans Judicial District

We have audited the general purpose financial statements of **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT** as of and for the year ended December 31, 1998, and have issued our report thereon dated June 2, 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 ORLEANS JUDICIAL DISTRICT's** general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 98-1. We also noted certain immaterial instances of noncompliance that we have reported to management of the District Attorney's Office in a separate letter dated June 2, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT**'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 a material weakness.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



A Professional Accounting Corporation

June 2, 1999

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

The Honorable Harry F. Connick
District Attorney of The Orleans Judicial District

Compliance

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

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

In our opinion, the District Attorney's Office complied, in all material respects, with the requirements referred to above that are applicable to its each of its major federal programs for the year ended December 31, 1998. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 98-2.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District Attorney's Office ability to administer a major federal program in accordance with the applicable laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-2.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to the major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



A Professional Accounting Corporation

June 2, 1999

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 For The Year Ended December 31, 1998**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the District Attorney of the Orleans Judicial District.
2. No reportable conditions relating to the audit of the financial statements of the District Attorney of the Orleans Judicial District were disclosed.
3. One instance of noncompliance material to the financial statements of the District Attorney of the Orleans Judicial District was disclosed during the audit.
4. One reportable condition relating to the audit of the major federal award programs is reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. The condition is not reported as a material weakness.
5. The auditor's report on compliance for the major federal award programs for the District Attorney of the Orleans Judicial District expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the District Attorney of the Orleans Judicial District are reported in Part C. of this Schedule.
7. The programs tested as major programs included:

PROGRAM	DISTRICT ATTORNEY TITLE	CFDA No.
Title IV-D	Child Support Enforcement	93.563

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The District Attorney of the Orleans Judicial District was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONCOMPLIANCE

98-1 Procurement and Compliance with State Bid Laws

Condition and Criteria: In two instances, the Child Support Enforcement Division of the District Attorney's Office did not comply with the State's bid law in the purchase of equipment and supplies. Revised Statute 38:2212 requires that purchases of material, supplies, or equipment in excess of \$15,000 be let out for bid.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COST (Continued)
For The Year Ended December 31, 1998**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (Continued)

NONCOMPLIANCE

98-1 Procurement and Compliance with State Bid Laws (Continued)

Effect: Because these purchases were not let out for bid, the purchases may be challenged by other vendors and bids may have to be advertised.

Cause: In one instance, the materials acquired were obtained through multiple purchases, each purchase being less than \$15,000. Management was not aware that the State bid law pertained not only to single purchases in excess of \$15,000, but also to the total year-to-date amount of purchases of a particular piece of equipment, material, or supply.

In the second instance, management felt that the expenditure was for professional services, rather than for equipment. Upon closer inspection of the vendor invoice, the purchase price included the acquisition of software that had a purchase price in excess of \$15,000.

Auditor's Recommendation: All purchases of materials and supplies should be carefully evaluated by management to determine whether compliance with the State Bid Laws is required. In addition, management should evaluate its needs for equipment, materials, and supplies at the beginning of the year to determine whether it is likely that there will be multiple purchases of an item that will, in total, exceed \$15,000.

Management's Response: We concur with the recommendation. Management has obtained a copy of the State bid laws, and will review all future purchases of equipment, supplies, and materials to ensure that the State bid law is satisfied.

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES

**98-2 Title IV-D; Child Support Enforcement – CFDA No. 93.563; Grant Period – Year Ended
December 31, 1998**

Instance of Noncompliance/Reportable Condition: The issue described in item 98-1 pertains to the Child Support Enforcement Division of the District Attorney's Office. The details of the finding are disclosed in item 98-1.

**DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended December 31, 1997**

For the audit for the year ended December 31, 1997, we noted in a separate letter dated May 29, 1998, an immaterial instance of noncompliance with laws and regulations. The noncompliance pertained to the failure to comply with the State Budget Laws, specifically, revised statutes 39:1305 and 39:1306. We noted no such exceptions for the audit for the year ended December 31, 1998.



Harry F. Connick
District Attorney of New Orleans
State of Louisiana

TIMOTHY J. McELROY
FIRST ASSISTANT DISTRICT ATTORNEY

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CORRECTIVE ACTION PLAN

The District Attorney's Office of the Orleans Judicial District respectfully submits the following corrective action plan for the year ended December 31, 1998. The findings from the schedule of findings and questioned costs as well as from the auditor's separate letter dated June 2, 1999 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – REPORT ON COMPLIANCE IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

98-1 Child Support Enforcement Division

Description of Finding: Failure to comply with State bid law in two instances.

Corrective Action Planned: The Child Support Enforcement Division has obtained a copy of the State's bid law. Management will evaluate all future purchasing needs of materials, equipment, and supplies to determine whether the purchase needs to be let out for bid.

Contact Person: Patricia Dubea

Anticipated Completion Date: Corrective action will be implemented immediately.

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF HEALTH AND HUMAN SERVICES

98-2 – Child Support Enforcement – CFDA No. 93.563

Description of Finding: Since the Child Support Enforcement Division receives federal funding, the exception with the State bid law described in item 98-1 is applicable to the Federal Award Programs Audit.

OTHER MATTERS REPORTED IN A SEPARATE LETTER

Description of Finding: The District Attorney's Office did not comply with Revised Statute 39:1310(A), such that budget amendments were not adopted for those funds that had actual expenditures that exceeded budgeted expenditures by five percent or more.

Corrective Action Planned: On a regular basis, management will review and compare actual and projected expenditures to budgeted expenditures to determine whether a budget amendment is necessary. If a budget amendment is needed, the amendment will be presented to the District Attorney for adoption, and then will be published in our official journal.

Contact Person: Eric Montz

Anticipated Completion Date: Corrective action will be implemented immediately.



Harry F. Connick
District Attorney of the
Orleans Judicial District

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89 JUN 30 P4: 12

The Honorable Harry F. Connick
**DISTRICT ATTORNEY OF THE
ORLEANS JUDICIAL DISTRICT**
Orleans Parish, Louisiana

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 _____

In planning and performing our audit of the financial statements of **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT** for the year ended December 31, 1998, we considered its internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control over financial reporting. In addition, we performed tests of the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT**'s compliance with laws, regulations, contracts and grants.

During our audit, we noted an immaterial instance of noncompliance with laws and regulations. Our finding is as follows:

COMPLIANCE WITH BUDGET LAWS

Budget Amendments

Per Revised Statute 39:1309, when there has been a change in operations upon which the original adopted budget was developed, a budget amendment reflecting that change should be adopted and published in the government's official journal. In addition, Revised Statute 39:1310(A) requires that the chief executive or chief administrative officer advise the "independently elected official" in writing when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more. At December 31, 1998, the General Fund and several of the special revenue funds of the District Attorney's Office had actual expenditures that exceeded budgeted expenditures by five percent or more.

On a regular basis throughout the year, management should review and compare actual and projected expenditures to budgeted expenditures. If deemed necessary, a budget amendment should be adopted. Once approved by the District Attorney, the budget amendment should be published in the official journal of the District Attorney's Office.

This report is intended solely for the information and use of the management of the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT**.

We appreciate the confidence you have placed in us by allowing us to serve the **DISTRICT ATTORNEY OF THE ORLEANS JUDICIAL DISTRICT**. If we can assist you in any way with the above finding, please do not hesitate to contact us.

Salute, Sekel, Rouse & Hand

A Professional Accounting Corporation

June 2, 1999