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**DISTRICT ATTORNEY OF THE
TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA**

Annual Financial Report

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 AUG 7 7 1999

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UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS
2067 PAXTON STREET
HARVEY, LOUISIANA 70058

(504) 347-0441
FAX (504) 347-0467

DOUGLAS L. UZEE, CPA
(1926 - 1988)
JAMES L. BUTLER, CPA
N. PAUL ARCENEUX, CPA
PATRICK J. BOWES, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Paul D. Connick, Jr.
District Attorney of the
Twenty-Fourth Judicial District
State of Louisiana

We have audited the accompanying general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District as of December 31, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the District Attorney of the Twenty-Fourth Judicial District. 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 Twenty-Fourth Judicial District, at December 31, 1998, and the results of 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 Twenty-Fourth 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 taken as a whole. The schedule listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana

June 25, 1999

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1998

	Governmental Fund <u>Type</u>	Fiduciary Fund <u>Type</u>	Account Group <u>General Fixed Assets</u>	Total (Memorandum only) <u>only</u>
	General Fund	Agency Fund		
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents	\$4,611,059	\$ 246,586	\$ -0-	\$4,857,645
Investments	2,164,260	182,388	-0-	2,346,648
Receivables:				
Due from agency fund	189,356	-0-	-0-	189,356
Commissions on fines and bond forfeitures	99,825	-0-	-0-	99,825
Court costs	86,960	-0-	-0-	86,960
Property and equipment	<u>-0-</u>	<u>-0-</u>	<u>927,261</u>	<u>927,261</u>
 TOTAL ASSETS AND OTHER DEBITS	 <u>\$7,151,460</u>	 <u>\$ 428,974</u>	 <u>\$ 927,261</u>	 <u>\$8,507,695</u>
<u>LIABILITIES, EQUITY AND OTHER CREDITS</u>				
Liabilities:				
Accounts payable	\$ 20,498	\$ -0-	\$ -0-	\$ 20,498
Due to other governments	10,998	-0-	-0-	10,998
Due to General Fund	-0-	189,356	-0-	189,356
Deposits held for future disposition	<u>-0-</u>	<u>239,618</u>	<u>-0-</u>	<u>239,618</u>
 TOTAL LIABILITIES	 <u>31,496</u>	 <u>428,974</u>	 <u>-0-</u>	 <u>460,470</u>
Equity and Other Credits:				
Investment in general fixed assets	-0-	-0-	927,261	927,261
Fund balance	<u>7,119,964</u>	<u>-0-</u>	<u>-0-</u>	<u>7,119,964</u>
 TOTAL EQUITY AND OTHER CREDITS	 <u>7,119,964</u>	 <u>-0-</u>	 <u>927,261</u>	 <u>8,047,225</u>
 TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	 <u>\$7,151,460</u>	 <u>\$ 428,974</u>	 <u>\$ 927,261</u>	 <u>\$8,507,695</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE-BUDGET (GAAP) AND ACTUAL-GOVERNMENTAL FUND TYPE
For the Year Ended December 31, 1998

	<u>General Fund</u>		Variance -
	<u>Actual</u>	<u>Budget</u>	Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues:			
On behalf payments for salaries and fringe benefits made by Jefferson Parish and State of Louisiana	\$6,411,757	\$5,095,568	\$1,316,189
Louisiana Department of Social Services - Title IV-D incentives grant	149,438	182,733	(33,295)
Charges for services:			
Court costs	1,066,292	991,305	74,987
Fines and forfeitures	566,054	449,389	116,665
Bond fees	203,928	373,924	(169,996)
Worthless check fees	205,832	203,371	2,461
Commissions on asset forfeitures	54,199	29,980	24,219
Diversion fees	26,360	24,956	1,404
Interest earnings	291,285	217,565	73,720
Miscellaneous income	<u>5,567</u>	<u>98,030</u>	<u>(92,463)</u>
 TOTAL REVENUES	 <u>\$8,980,712</u>	 <u>\$7,666,821</u>	 <u>\$1,313,891</u>
EXPENDITURES			
Current:			
Personnel and related benefits	5,609,427	4,315,513	(1,293,914)
Operating services	849,672	810,532	(39,140)
Travel and training	14,005	18,700	4,695
Professional fees	77,232	558,218	480,986
Rent	20,475	-0-	(20,475)
Capital outlays	122,585	112,258	(10,327)
Intergovernmental expenditures	122,390	146,868	24,478
Miscellaneous expenses	<u>4,045</u>	<u>-0-</u>	<u>(4,045)</u>
 TOTAL EXPENDITURES	 <u>6,819,831</u>	 <u>5,962,089</u>	 <u>(857,742)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 2,160,881	 1,704,732	 456,149
 FUND BALANCE - BEGINNING OF YEAR	 <u>4,959,083</u>	 <u>4,959,083</u>	 <u>-0-</u>
 FUND BALANCE - END OF YEAR	 <u>\$7,119,964</u>	 <u>\$6,663,815</u>	 <u>\$ 456,149</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Office of the District Attorney of the Twenty-Fourth Judicial District are as follows.

Reporting Entity

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney of the Twenty-Fourth Judicial District 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, is the representative of the State before the grand jury in his district, and is the legal advisor to the grand jury. The District Attorney performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Fourth Judicial District encompasses the entire Parish of Jefferson.

GASB Statement 14 established criteria for determining the governmental reporting entity and components that should be included within the reporting entity. For financial reporting purposes, in conformity with GASB Statement 14, the financial statements of the District Attorney include all funds and account groups that are within his oversight responsibility.

For financial reporting purposes, in conformance with GASB Statement 14, the District Attorney is a part of the district court system of the State of Louisiana. However, the state statutes that created the District Attorney also gives the District Attorney control over all of its operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The District Attorney is financially independent and operates autonomously from the State of Louisiana and independently from the district court system. Accordingly, the District Attorney is an independent reporting entity.

Basis of Presentation

The accompanying financial statements of the District Attorney of the Twenty-Fourth Judicial District (the District Attorney) 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.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Accounting

The accounts of the District Attorney are organized on the basis of funds and account groups, each of which is a separate entity with its own self-balancing accounts that comprise its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Account groups are financial reporting devices designed to provide accounting control and accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

The District Attorney's funds have been classified into two categories, governmental and fiduciary, as follows:

Governmental Fund Type

General Fund

The General Fund of the District Attorney is used to account for all financial resources, except those required to be accounted for in other funds. All general revenues and other receipts and operating and capital expenditures are paid from the General Fund.

Fiduciary Fund Type

Agency Fund (Asset Forfeiture)

The District Attorney's Asset Forfeiture Agency Fund is used to account for assets seized in narcotics cases in which the District Attorney has received the seized assets, pending the final disposition of the case. The assets may ultimately be returned to the defendant from whom they were seized, transferred to another agency, or divided among the District Attorney, the Parish of Jefferson as custodian of judicial funds, and the seizing agency. 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.

Account Group

General Fixed Assets Account Group

This group accounts for all fixed assets (property and equipment) used in governmental fund type operations (general fixed assets) of the District Attorney.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

Other financing sources (uses) consist of transfers between funds that are not expected to be repaid. These other financing sources (uses) are recognized at the time the underlying events occur.

Commissions on fines and forfeitures are recorded when they become susceptible to accrual. Grants are recorded when the District Attorney is entitled to receive the funds. Interest income is recorded in the period in which earned. Other revenues are recognized when they become measurable and available to finance expenditures of the current period.

Budgets

The District Attorney adopts a formal budget for the General Fund on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. Formal budget integration within the accounting records is not employed as part of the accounting system. The District Attorney prepares and reviews a comparison of budget to actual figures for revenues and expenditures on a quarterly basis.

The District Attorney adopted its original 1998 budget in March of 1998. The budget amounts presented as a comparison to actual are as amended on December 10, 1998. Appropriations for the General Fund lapse at year end. The District Attorney does not utilize encumbrance accounting.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Investments

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the District Attorney may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in 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 Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States. 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 carried at cost.

General Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All purchased fixed assets are stated at historical cost or estimated historical if historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date received.

Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or are legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Total Columns on Statements

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidating entries or other eliminations were made in the aggregation of the totals; thus, they do not present consolidated information and do not purport to present financial position or results of operations in conformity with generally accepted accounting principles.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 2 - CASH AND INVESTMENTS

At December 31, 1998, cash deposits were fully insured by federal depository insurance. See Note 1 for allowable types of deposits and investments under State laws.

The District Attorney's investments at year end are categorized to give an indication of the level of risk assumed by the District Attorney. Category 1 includes the investments that are either insured or registered, or for which the securities are held by the District Attorney, or its agent in the District Attorney's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealers trust department or agent in the District Attorney's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the District Attorney's name.

As of December 31, 1998 the District Attorney had \$2,346,649 invested in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 1998, is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 3 - GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed asset account group during the year:

	Balance January 1, 1998	Additions	Reclass- ifications	Deletions	Balance December 31, 1998
Automobiles	\$147,121	\$ 21,777	\$ -0-	\$ 74,152	\$ 94,746
Furniture and equipment	392,404	71,183	54,642	-0-	518,229
Computer software	288,642	29,625	(54,642)	-0-	263,625
Building improvements	<u>50,661</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>50,661</u>
Total	<u>\$878,828</u>	<u>\$122,585</u>	<u>\$ -0-</u>	<u>\$ 74,152</u>	<u>\$927,261</u>

NOTE 4 - EXPENSES PAID BY OTHERS

The accompanying financial statements include certain revenues and expenditures of the District Attorney's office paid out of the funds of the District Court, or directly by the State of Louisiana or the Parish of Jefferson. The Title IV-D Fund (reimbursement portion), which is maintained and accounted for by Jefferson Parish, is the reporting responsibility of the Parish. A summary of funds paid on behalf of the District Attorney's office follows:

	Salaries and Employee Benefits	Other	Total
Parish of Jefferson	\$3,815,827	\$802,330	\$4,618,157
State of Louisiana	<u>1,793,600</u>	<u>-0-</u>	<u>1,793,600</u>
Total	<u>\$5,609,427</u>	<u>\$802,330</u>	<u>\$6,411,757</u>

In addition to the above expenses the offices used by the District Attorney of the Twenty-Fourth Judicial District are provided by the Parish of Jefferson at no cost.

The District Attorney and assistant district attorneys are members of the Louisiana District Attorney's Retirement System. The Louisiana District Attorney's Retirements System is a multiple employer state-wide retirement system which is administered and controlled by a board of trustees. The District Attorney's office does not contribute to the plan or guarantee any of the benefits granted by the plan.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 4 - EXPENSES PAID BY OTHERS - continued

All other employees of the District Attorney's office are members of the Parochial Employee's Retirement System of Louisiana and/or Employee's Retirement Systems of Jefferson, Louisiana. All costs relating to salaries and pension contributions are paid by Jefferson Parish and the State of Louisiana; such costs are included in the accompanying general purpose financial statements and in the financial statements of the Parish and the State.

NOTE 5 - FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Child Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 13.783. The Federal expense reimbursement portion of this program is included in the general purpose financial statements of Jefferson Parish. A new contract was signed and became effective July 1, 1998 which changed the reimbursement of program incurred expenses from 66.66 percent to 100 percent reimbursement. Under the new plan, the increase in expense reimbursement will take the place of any further "incentive payments" formerly received.

Prior to this, the District Attorney received and accounted for incentive payments from the Louisiana Department of Social Services which were calculated as a percentage of each type of child support collected. Incentive payments earned during the year ended December 31, 1998 totaled \$149,438. These funds have been recorded in the general fund of the District Attorney's office, as there are no restriction on the expenditure of incentive fund except as required by State law for any other fund of the District Attorney.

NOTE 6 - ECONOMIC DEPENDENCY

The District Attorney's office receives a majority of its funding through the Jefferson Parish Council, the State of Louisiana, and the Federal, State, or local level. The amount of funds the District Attorney's Office receives could be reduced substantially, resulting in an adverse impact on its operations.

NOTE 7 - LITIGATION

The District Attorney's office is a named defendant in several lawsuits, which it is vigorously defending. Such matters arise in the normal course of operations. While the results of litigation cannot be predicted with certainty, management believes, based on the advice of legal council, that the final outcome of such litigation would not have a material adverse effect on the District Attorney's financial statements.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1998

NOTE 8 - YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the operations of the District Attorney.

The District Attorney of the Twenty-Fourth Judicial District, State of Louisiana has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the business of the District Attorney. Based on this inventory, the District Attorney's office is in the remediation stage for financial reporting systems. Testing and validation of the systems will need to be completed when all systems are in place.

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

NOTE 9 - SUBSEQUENT EVENT

On January 21, 1999 the District Attorney's office received approval from the Louisiana State Bond Commission to borrow an amount not to exceed \$8,500,000 at a rate not to exceed 6% to build a multi-level building to replace the administration's present location. The bonds would be repaid over a period not to exceed ten years. For the year ended December 31, 1998, approximately \$36,848 in professional fees related to the design of this project were expended.

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA

AGENCY FUND

Agency funds are used to account for assets held by the District Attorney as an agent for individuals, private organizations, other governmental units, and/or other funds.

Asset Forfeiture

This fund is used to account for assets seized in narcotics cases in which the District Attorney has received the seized assets pending the final disposition of the case. The assets may ultimately be returned to the defendant from whom they were seized, transferred to another agency, or divided among the District Attorney; the Parish of Jefferson, as custodian of judicial funds; and the seizing agency. 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.

DISTRICT ATTORNEY OF THE TWENTY-FOURTH JUDICIAL DISTRICT
STATE OF LOUISIANA
ASSET FORFEITURE AGENCY FUND
SCHEDULE OF CHANGES IN DEPOSITS HELD FOR FUTURE DISPOSITION
For the Year Ended December 31, 1998

DEPOSITS HELD FOR FUTURE DISPOSITION AT JANUARY 1, 1998	\$ 76,904
 <u>ADDITIONS</u>	
Deposits:	
Forfeitures	418,114
 <u>REDUCTIONS</u>	
Deposits settled to:	
Litigants	13,938
District Attorney's Office	50,291
Other agencies	<u>191,170</u>
 TOTAL REDUCTIONS	 <u>255,399</u>
 DEPOSITS HELD FOR FUTURE DISPOSITION AT DECEMBER 31, 1998	 <u>\$239,619</u>

COMPLIANCE AND
INTERNAL CONTROL SECTION

UZEE, BUTLER, ARCENEUX & BOWES

CERTIFIED PUBLIC ACCOUNTANTS
2067 PAXTON STREET
HARVEY, LOUISIANA 70058

(504) 347-0441
FAX (504) 347-0467

DOUGLAS L. UZEE, CPA
(1926 - 1988)
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MEMBERS
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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*

Paul D. Connick, Jr.
District Attorney of the
Twenty-Fourth Judicial District
State of Louisiana

We have audited the general purpose financial statements of the District Attorney of the Twenty-Fourth Judicial District 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Fourth Judicial District's general purpose financial statements are free of material misstatement, we performed tests of 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 the following instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Finding: The budget for 1998 was not adopted prior to December 31, 1997. The 1998 budget was adopted at a public meeting in March of 1998. State law requires that the budget be adopted prior to the start of the new year.

The audit report on compliance for the year ended December 31, 1997 listed the following as an instance of noncompliance: "The budget adopted for 1997 projected less than \$250,000 in expenditures and was therefore not advertised or adopted at a public meeting. Furthermore there was no line item detail in the budget which was adopted. Actual expenditures exceeded budgeted amounts by more than 5%. No amendment to the 1997 budget was adopted during 1997. State law requires that the budget be amended when estimated expenditures will exceed budgeted expenditures by more than 5%".

The District Attorney of the Twenty-Fourth Judicial District did in fact institute additional tracking procedures during 1998 to insure compliance with budget laws. An amended budget for the year ended December 31, 1998 was advertised and adopted on December 10, 1998. A budget for the year ended December 31, 1999 was timely advertised and adopted on December 29, 1998.

Recommendation: Budgets should be advertised and adopted timely, in accordance with state statutes.

Management's Response: The failure to adopt a 1998 budget prior to December 31, 1997 was not discovered until the 1997 audit report was issued on June 30, 1998. The Jefferson Parish District Attorney has been in compliance with budget requirements since that date.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the Twenty-Fourth 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. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the District Attorney of the Twenty-Fourth Judicial District's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statement. The results of our tests disclosed no instances of reportable conditions that are required to be reported under *Government Auditing Standards*.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

The audit report for the year ended December 31, 1997 on internal control structure made reference to the following matter which was considered to be a material weakness: " The District Attorney of the Twenty-Fourth Judicial District's accounting system does not include the maintenance of a general ledger." During the year ended December 31, 1998, significant improvements were made by the District Attorney's office that provided for the maintenance of the general ledger transactions.

This report is intended solely for the information of the District Attorney for the Twenty-Fourth Judicial District and the Louisiana Legislative Auditor, and is not intended to be , and should not be used by anyone other than the specified parties.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana

June 25, 1999