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Release Date: JUN 01 1978

KEITH J. ROYER
Chief Public Accountant

DISTRICT ATTORNEY OF THE FOURTH
JUDICIAL DISTRICT
St. John the Baptist Parish
Edgard, Louisiana
General Purpose Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 1997

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INDEPENDENT AUDITOR'S REPORT

Honorable John M. Cram, Jr.

District Attorney of the Fortieth Judicial District
A Component Unit of the St. John the Baptist Parish Council
St. John the Baptist Parish, Louisiana

I have audited the accompanying general purpose financial statements of the District Attorney of the Fortieth Judicial District as of and for the year ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the District Attorney of the Fortieth Judicial District. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Fortieth Judicial District as of December 31, 1997, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 2, 1998, on my consideration of the District Attorney of the Fortieth Judicial District's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards. This report is presented separately after the notes to the financial statements of this audit report.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combined and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District Attorney of the Fortieth Judicial District. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Keith J. Novina
Certified Public Accountant

June 2, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
 81. John the Baptist Parish, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1997

	Governmental Fund Types		Account Group	Totals (Memorandum Only)
	General Fund	Special Revenues	General Fixed Assets	
ASSETS				
Cash and cash equivalents (Note B)	\$76,892	\$42,362	-	\$119,254
Revenues receivable: Inter-governmental - com- missions on fines, etc.	27,866	24,466	-	52,332
Due from IV-D Fund (Note 1)	49,822	-	-	49,822
Office furnishings and equipment (Note C)	-	-	\$188,925	188,925
TOTAL ASSETS	\$154,580	\$66,828	\$188,925	\$410,332
LIABILITIES AND FUND EQUITY				
Liabilities:				
Salaries, related benefits and payroll taxes payable	\$24,093	-	-	\$24,093
Accounts payable	-	\$24,586	-	24,586
Due to General Fund (Note 1)	-	\$9,852	-	\$9,852
Total Liabilities	\$24,093	\$34,438	-	\$58,531
Fund Equity:				
Investment in general fixed assets	-	-	\$188,925	188,925
Fund balance:				
Reserved	-	18,703	-	18,703
Unreserved - undesignated	138,506	(18,203)	-	120,303
Total Fund Balance	138,506	(1,500)	-	137,006
Total Fund Equity	138,506	(1,500)	188,925	315,931
TOTAL LIABILITIES AND FUND EQUITY	\$154,580	\$66,828	\$188,925	\$410,332

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - All Governmental Fund Types
For the Year Ended December 31, 1997

	Governmental Fund Types		Totals Memorandum Only
	General Fund	Special Revenues	
REVENUES			
Commissions on fines & forfeitures	\$175,393	-	\$175,393
Collection fees on worthless checks	-	\$23,860	23,860
Collection of forfeitures	-	24,808	24,808
Intergovernmental revenues:			
Grant - Louisiana Department of Health & Human Resources	-	183,843	183,843
St. John Parish Criminal Court Fund	89,871	-	89,871
St. John Parish General Fund	27,539	-	27,539
Victim's Assistance Coordinator Fund	24,784	-	24,784
St. John Parish School Board	-	103,131	103,131
Pre-Trial Diversion Program	-	20,865	20,865
Interest earnings	4,295	00	4,295
Other	-	14,842	14,842
Total Revenues	<u>392,932</u>	<u>342,432</u>	<u>734,334</u>
Expenditures			
Salaries, related benefits and payroll taxes	257,720	209,828	467,538
Continuing education and travel	33,374	4,078	37,449
Office supplies and maintenance	2,596	5,803	8,399
Insurance	44,548	-	44,548
Professional dues and services	7,748	-	7,748
Capital outlay	13,386	-	13,386
Rent, utilities and telephone	25,716	10,144	35,870
Payments of forfeitures	-	12,701	12,701
Debt service	680	-	680
Other	3,844	4,501	11,445
Total Expenditures	<u>397,928</u>	<u>232,143</u>	<u>629,703</u>
Excess (Deficiency) of Revenues over Expenditures	(5,000)	10,289	4,563
Other Financing Sources (Uses)			
Transfer in from Forfeiture Account	4,104	-	4,104
Transfer out to general fund	-	(4,104)	(4,104)
Total Other Financing Sources (Uses)	<u>4,104</u>	<u>(4,104)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	11,620	6,185	4,563
Fund Balance at Beginning of Year	132,126	111,685	132,441
Fund Balance at End of Year	<u>\$120,506</u>	<u>\$117,870</u>	<u>\$121,006</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE PORTLAND JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - All Governmental Fund Types -
Budget (OGAP Basis) and Actual -
For the Year Ended December 31, 1997

	<u>General Fund</u>		Variance FAVORABLE (Unfavorable)
	Budget	Actual	
REVENUES			
Commissions on fines & forfeitures	\$175,000	\$175,293	\$293
Intergovernmental revenues	60,800	213,214	152,414
Interest earnings	380	4,395	4,015
Other	-	-	-
Total Revenues	236,180	392,902	156,722
EXPENDITURES			
Salaries, related benefits and payroll taxes	108,000	287,780	(179,780)
Continuing education and travel	29,800	31,374	(1,574)
Office supplies and maintenance	9,700	2,896	6,804
Insurance	40,800	44,985	(4,185)
Professional fees and services	3,200	7,745	(4,545)
Capital outlay	11,000	13,386	(2,386)
Ent. utilities and telephone	38,000	39,738	(1,738)
Payments of forfeitures	-	-	-
Debt service	-	480	(480)
Other	1,100	1,344	(244)
Total Expenditures	242,000	392,628	(52,628)
Excess (Deficiency) of Revenues over Expenditures	(4,820)	10,274	(15,094)
Other Financing Sources (Uses)			
Transfer in from Forfeiture Account	10,880	4,104	(6,776)
Transfer out to General Fund	-	-	-
Total Other Financing Sources (Uses)	10,880	4,104	(6,776)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	5,350	(1,628)	(6,978)
Fund Balance at Beginning of Year	108,213	108,126	87
Fund Balance at End of Year	\$113,563	\$110,316	\$3,247

The accompanying notes are an integral part of this statement.

<u>Special Services Fund</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
551,567	549,865	\$ (1,697)	5228,542	5228,188	\$ (354)
276,778	277,828	1,050	326,778	499,042	152,264
-	97	97	380	4,492	4,112
-	<u>14,642</u>	<u>14,642</u>	-	<u>14,642</u>	<u>14,642</u>
<u>328,345</u>	<u>342,432</u>	<u>14,087</u>	<u>563,580</u>	<u>724,324</u>	<u>170,744</u>
290,822	289,819	993	398,822	647,618	248,796
4,028	4,078	(50)	23,800	37,848	(14,048)
10,000	5,803	4,197	15,700	8,388	7,312
-	-	-	40,500	44,865	(4,365)
-	-	-	7,200	7,248	(48)
-	-	-	11,600	13,386	(1,786)
7,822	18,144	(10,322)	49,822	48,870	1,052
20,924	12,701	8,223	20,924	12,701	8,223
-	-	-	-	680	(680)
<u>953</u>	<u>9,921</u>	<u>8,968</u>	<u>4,023</u>	<u>11,446</u>	<u>7,423</u>
<u>138,931</u>	<u>322,141</u>	<u>18,210</u>	<u>674,621</u>	<u>729,762</u>	<u>55,141</u>
<u>(8,191)</u>	<u>10,289</u>	<u>18,480</u>	<u>(18,841)</u>	<u>4,263</u>	<u>23,103</u>
-	-	-	10,880	4,184	15,064
-	<u>14,164</u>	<u>14,164</u>	-	<u>14,164</u>	<u>14,164</u>
-	<u>14,164</u>	<u>14,164</u>	<u>10,880</u>	-	<u>10,880</u>
<u>16,191</u>	<u>8,193</u>	<u>8,098</u>	<u>1841</u>	<u>4,968</u>	<u>3,127</u>
<u>10,347</u>	<u>(11,885)</u>	<u>22,232</u>	<u>138,462</u>	<u>118,441</u>	<u>20,021</u>
<u>524,356</u>	<u>\$17,520</u>	<u>\$131,836</u>	<u>\$135,612</u>	<u>\$127,001</u>	<u>\$8,611</u>

NOTES TO THE FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

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. The fortieth judicial district encompasses the parish of St. John the Baptist, Louisiana.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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

2. Reporting Entity

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. John the Baptist Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in

DISTRICT ATTORNEY OF THE PORTLAND JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the parish council to impose its will on that organization, and/or
 - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the parish council.
2. Organizations for which the parish council does not appoint a voting majority, but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the district attorney is an independently elected official, and is legally separate from the parish council, the exclusion from the parish council's financial statements would cause the parish council's financial statements to be misleading or incomplete. Also, the district attorney is fiscally dependent on the parish council because the parish council transfers to the district attorney 12 per cent of the fines collected and bonds forfeited, which represents sporadically mandated financial support. The substance of the relationship between the district attorney and the parish council is that the parish council has approval authority over the district attorney's capital budget. Because of these reasons, the district attorney is determined to be a component unit of the St. John the Baptist Parish Council.

1. Fund Accounting

The district attorney uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
 St. John the Baptist Parish, Louisiana
 Notes to the Financial Statements
 December 31, 1987

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

segregating transactions relating to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district attorney are classified as governmental funds. Governmental funds account for the district attorney's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of general fixed assets. The governmental funds of the district attorney are the General Fund and the Special Revenue Funds, and are described as follows:

a. General Fund

The General fund is used to account for all financial resources except those accounted for in the Special Revenue Funds. The General Fund was established in compliance with Louisiana Revised Statute 18:871.11, which provides that 12 per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenses of his office.

b. Special Revenue Funds

The following Special Revenue Funds are used to account for the collection and disbursement of earmarked monies:

Title IV-D Fund --

The Title IV-D Fund was established in July 1986 and consists of incentive payments and reimbursement grants from the Louisiana Department of Health and Human Resources, authorized by Act 217 of 1979, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

DISTRICT ATTORNEY OF THE FOREIGN JUDICIAL DISTRICT
 St. John the Baptist Parish, Louisiana
 Notes to the Financial Statements
 December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Worthless Check Collection Fee Fund --

The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 18:18, which provides for a specific fee whenever the district attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the district attorney and may be used to defray the salaries and expenses of the office of the district attorney, but may not be used to supplement the salary of the district attorney.

School Board Account Fund --

The School Board account was established to account for the receipt and disbursement of funds for the performance of legal services for the St. John the Baptist Parish School Board.

Special Pay Fund --

The Special Pay Fund was established to account for the receipt and disbursement of funds for the performance of special services provided to third parties. In 1997, the district attorney used the Special Pay fund to account for the activities of the Pre-Trial Diversion Program. This program's revenue comes from a fee paid by first-time offenders to the district attorney.

Forfeiture Account Fund --

The Louisiana State Legislature passed the Bail Reform Act of 1999. This act established that bond forfeiture proceeds are to be collected by the St. John the Baptist Sheriff and disbursed by the District Attorney with amounts allocated by percentages predetermined by the Act. Also, the monies and assets seized during the course of a criminal arrest shall be held in this fund until authorized by the court to distribute the monies as required by law.

DISTRICT ATTORNEY OF THE PORTLAND JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1987

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Fixed Assets

Fixed assets purchased by the governmental funds are accounted for in the General Fixed Assets Account Group. Fixed assets are stated at historical cost or estimated fair market value. The estimates were arrived at using comparable prices of similar items purchased during that time period. Estimates make up an immaterial amount of total fixed assets. Purchases of General fixed assets are recorded as expenditures at the time of purchase. Depreciation is not computed on fixed assets since this is only a memorandum account to provide in one record the organization's fixed assets.

The district attorney only owns fixed assets he purchases out of the funds of the district attorney's office. All other fixed assets, which are purchased from the funds of the St. John the Baptist Parish General Fund or the St. John the Baptist Parish Criminal Court Fund, are reported in their general fixed assets account groups, and are not used by the district attorney.

5. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and 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 the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues (General Fund) --

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

Intergovernmental revenues (General Fund) --

Include monies received from the St. John the Baptist Parish Criminal Court Fund, the St. John the Baptist Parish General Fund and the Victim's Assistance Coordinator Fund.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intergovernmental revenues (Special Revenue Funds) -- include monies received from a grant from the Louisiana Department of Health & Human Resources (Title IV-D), the St. John the Baptist Parish School Board (School Board Account), and the South Louisiana Port Commission, the St. John the Baptist Parish General Fund and Pre-Trial Diversion Program (Special Pay Fund).

Interest revenue is recorded in the year in which it is earned.

All other revenues are recorded when received.

Expenditures --

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

6. Budgets

The district attorney prepared budgets for the General Fund and Special Revenue Funds for 1997. All budgets were advertised and made available for public inspection at the district attorney's office in Edgard, Louisiana on December 4, 1996, and adopted on December 16, 1996.

Budgets for the General Fund and the Special Revenue Funds were amended. These budgets were advertised and made available for public inspection at the district attorney's office in Edgard, Louisiana on November 29, 1997, and adopted on December 11, 1997. All budgets were prepared on the modified accrual basis of accounting. All appropriations contained in the budget lapse at year end.

7. Encumbrances

Encumbrance accounting is not utilized due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.

8. Cash and Cash Equivalents

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

DISTRICT ATTORNEY OF THE NORTHERN JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Compensated Absences

The district attorney has the following vacation and sick leave policies:

Vacation Leave --

Full-time clerical employees earn ten days of vacation leave and one additional day for every two years of service up to a three week maximum. Vacation leave must be taken within the year it is earned or it is forfeited. Upon retirement, resignation or termination an employee is not paid for unused vacation leave which was earned during the year.

Sick Leave --

Full-time clerical employees earn ten days of sick leave per year which may accumulate. Female employees are also allowed six weeks of maternity leave. Upon retirement, resignation or termination an employee is not paid for accumulated and unused sick leave which was earned during the year.

At December 31, 1997, there were no accumulated leave benefits required to be reported in accordance with GASB Codification Section 100.

10. Long-Term Obligations

There were no long-term obligations to be reported in the financial statements.

11. Fund Balance

The Fund Balance of the Special Revenue Fund titled, "Forfeiture Account," is reserved for amounts which will ultimately be paid to various governmental entities in accordance with state law. These funds are not appropriate for expenditure by the district attorney.

12. Total Columns on Combined Statements

Total columns on the combined 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.

DISTRICT ATTORNEY OF THE FOREIGN JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 1997, the carrying amounts (book balances) of all cash and cash equivalents of the district attorney totaled \$119,384, and are listed as follows:

Interest bearing demand deposits	\$57,811
Noninterest bearing demand deposits	2,983
Time Deposits	58,591
Total	<u>\$119,384</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1997, the district attorney had \$109,377 in deposits (collected bank balances). These deposits are secured from risk by \$109,377 of federal deposit insurance.

NOTE C - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets (office furnishings and equipment) follows:

Balance, January 1, 1997	\$183,864
Additions	11,371
Deductions	<u>115,440</u>
Balance, December 31, 1997	<u>\$179,795</u>

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE D - PENSION PLAN

Employees of the district attorney are covered under two retirement plans as follows:

I. Louisiana District Attorneys Retirement System

Plan Description -- The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a multiple employer (cost-sharing), public employee retirement system controlled and administered by a separate board of trustees.

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 21 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 60, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of creditable service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of creditable service may retire at age 50 with a 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of their membership service, not to exceed 100 percent of their average final compensation.

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

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE D - PENSION PLAN (CONTINUED)

Funding Policy -- Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the district attorney, as their employer, is required to contribute at an actuarially determined rate. The current rate is 1.25 percent of annual covered payroll. Contributions to the System also include .2 percent of the ad valorem taxes collected throughout the state and reverse sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The district attorney's (employer) contributions to the System for the years ended December 31, 1997, 1996 and 1995 were \$3,410, \$4,377 and \$4,090, respectively, and these amounts equaled to the required contributions for each year.

II. Parochial Employees Retirement System of Louisiana

Plan Description -- All other employees of the district attorney are members of the Parochial Employees Retirement System of Louisiana (PERS), a cost-sharing, multiple-employer defined pension benefit plan administered by a separate board of trustees. PERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

All permanent employees working at least 20 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in PERS. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 20 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of the member's final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only, prior to January 1, 1985, the benefit is equal to one percent of the final-average salary plus \$24 for each year of supplemental plan

DISTRICT ATTORNEY OF THE NORTHERN JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE D - PENSION PLAN (CONTINUED)

only service earned prior to January 1, 1998. Final-average salary is the employee's average salary over the 16 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. PERB also provides death and disability benefits. Benefits are established by state statute.

PERB issues an annual publicly available financial report that includes financial statements and required supplementary information for PERB. The report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70804-4619, or by calling (504)938-1341.

Waiving policy -- Under Plan A, members of PERB are required to contribute 9.3% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The employer contribution rate for the year ended December 31, 1997 is 7.75% of annual covered payroll. Contributions to PERB also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The district attorney's (employer) contributions to PERB under Plan A for the year's ended December 31, 1997, 1996 and 1995, were \$19,519, \$16,974 and \$17,179, respectively, and these amounts equaled the required contributions for each year.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE E - LEASES

Operating Leases

The district attorney leases office space, under several separate operating leases as follows: (1) property located at 1187 1/2 Main Street, LaPlace, month-to-month lease, beginning January 1, 1993, at \$400 per month; (2) property located at 217 West Fifth Street, LaPlace, month-to-month lease, beginning January 1, 1997, at \$200 per month; (3) property located at 494 West 8th Street, LaPlace, month to month, beginning July 1, 1997, at \$1,200 per month; (4) copy machine on a month to month lease, beginning July 1, 1994, at \$50 per month; (5) three 1997 cars, each has a separate 24 month lease term, at \$275 per month, beginning March 13, 1997.

The minimum annual commitments under all noncancelable operating leases are as follows:

<u>Year Ended</u>	<u>Amount</u>
December 31, 1998	\$14,148
December 31, 1999	2,132
Total	<u>\$16,280</u>

NOTE F - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the district attorney paid from the criminal court funds, the parish government, or directly by the state.

NOTE G - LITIGATION

The district attorney is not involved in any litigation at December 31, 1997, which could have a material effect on the financial statements.

DISTRICT ATTORNEY OF THE FOURTEEN JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
December 31, 1997

NOTE H - FEDERAL FINANCIAL ASSISTANCE PROGRAM

During 1997, the district attorney participated in the Title IV-D program administered by the United States Department of Health and Human Services, Catalog of Federal Domestic Assistance Number 13.369. This program is funded by indirect assistance payments, in the form of both incentive payments and reimbursements of a portion of certain expenditures, received from the Louisiana Department of Social Services. For the year ended December 31, 1997, the District Attorney of the Fourteenth Judicial District expended \$131,456 and \$35,432 in reimbursement and incentive payments, respectively. Revenue received from the state totaled \$112,378 and \$41,364 for reimbursement and incentive payments, respectively.

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

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

The district attorney received a salary from incentive payments in 1997 totaling \$18,000.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
 St. John the Baptist Parish, Louisiana
 Notes to the Financial Statements
 December 31, 1997

NOTE 1 - INTERFUND ASSETS AND LIABILITIES

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund - Title IV-D	\$49,852

NOTE 2 - DEFICIT FUND BALANCE

The deficit fund balance at December 31, 1997 of \$49,852 in the Title IV-D Special Revenue Fund will be funded by transfers in from the General Fund.

**CONSOLIDATED AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

DISTRICT ATTORNEY OF THE FOURTEEN JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Balance Sheet - General Fund
December 31, 1997

ASSETS

Cash and cash equivalents	\$70,463
Revenues receivable:	
Intergovernmental - commissions on fines, etc.	27,835
Due from IV-D Fund (Note 1)	<u>42,822</u>
TOTAL ASSETS	<u>\$141,120</u>

LIABILITIES AND FUND EQUITY

Liabilities:	
Salaries, related benefits and payroll taxes payable	624,023
Total Liabilities	624,023
Fund Equity:	
Fund Balance:	
Unreserved - undesignated	124,817
Total Fund Balance	124,817
Total Fund Equity	124,817
TOTAL LIABILITIES AND FUND EQUITY	<u>\$141,120</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE NORTHERN JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (BAAF Basis) and Actual
General Fund
For the Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Commissions on fines & forfeitures	\$176,800	\$176,393	\$407
Intergovernmental revenues	60,000	232,234	172,234
Interest earnings	350	4,385	4,035
Total Revenues	237,150	392,992	155,842
Expenditures			
Salaries, related benefits and payroll taxes	106,000	287,780	(181,780)
Continuing education and travel	29,000	33,374	(4,374)
Office supplies and maintenance	5,300	2,566	2,734
Insurance	40,000	44,985	(4,985)
Professional fees and services	7,200	7,745	(545)
Capital outlay	11,000	33,386	(22,386)
Rent, utilities and telephone	30,000	38,728	(8,728)
Debt service	-	680	(680)
Other	3,300	3,934	(634)
Total Expenditures	240,800	387,626	(46,826)
Excess (Deficiency) of Revenues over Expenditures	(4,650)	(5,724)	(1,074)
Other Financing Sources			
Transfer in from Forfeiture Account	10,000	4,184	(5,816)
Excess (Deficiency) of Revenues and Other Sources over Expenditures	5,350	(1,620)	(6,970)
Fund Balance at Beginning of Year	106,113	132,126	26,013
Fund Balance at End of Year	\$111,463	\$130,506	\$19,043

The accompanying notes are an integral part of this statement.

CONTRACT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Combining Balance Sheet - Special Revenue Funds
December 31, 1997

	Title <u>IV-B</u>	Mortgage Check Collection <u>Fee</u>	School <u>Board</u>
ASSETS			
Cash	\$1,850	\$3,771	\$30
Revenues receivable:			
Intergovernmental -			
commissions on times, etc.	-	-	24,822
TOTAL ASSETS	\$1,850	\$3,771	\$24,852
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	-	-	\$24,852
Due to General Fund (Note 1)	\$24,852	-	-
TOTAL LIABILITIES	\$24,852	-	\$24,852
 Fund Equity:			
Fund Balance (Deficit):			
Reserved	-	-	-
Unreserved - undesignated	(48,302)	63,171	- 30
Total Fund Balance (Deficit):	(48,302)	63,171	- 30
Total Fund Equity	(48,302)	63,171	- 30
TOTAL LIABILITIES AND			
Fund Equity	\$1,850	\$3,771	\$24,852

The accompanying notes are an integral part of this statement.

<u>Special</u> <u>Day</u>	<u>Forfeiture</u> <u>Account</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
\$14,280	\$10,700	\$40,880
<u>-</u>	<u>-</u>	<u>24,880</u>
<u>\$14,280</u>	<u>\$10,700</u>	<u>\$65,810</u>
<u>-</u>	<u>-</u>	<u>\$14,880</u>
<u>-</u>	<u>-</u>	<u>42,832</u>
<u>-</u>	<u>-</u>	<u>24,418</u>
<u>-</u>	<u>\$10,700</u>	<u>\$10,700</u>
<u>\$24,220</u>	<u>-</u>	<u>(18,220)</u>
<u>24,220</u>	<u>10,700</u>	<u>(7,500)</u>
<u>24,220</u>	<u>10,700</u>	<u>(7,500)</u>
<u>\$24,220</u>	<u>\$10,700</u>	<u>\$16,930</u>

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Combining Statement of Revenues, Expenditures and Charges
in Fund Balances - Special Revenue Funds
For the Year Ended December 31, 1997

	Title 11-2	Worthless Check Collection Fee
Revenues		
Collection fees on worthless checks	-	\$23,060
Collection of forfeitures	-	-
Intergovernmental revenues:		
Grant - Louisiana Department of Health & Human Resources	\$153,842	-
St. John Parish School Board	-	-
Pre-Trial Diversion Program	-	-
Interest earnings	78	-
Other	-	-
Total Revenues	153,920	23,060
Expenditures		
Salaries, related benefits and payroll taxes	151,088	28,868
Continuing education and travel	4,079	-
Office supplies and maintenance	3,583	1,610
Capital outlay	-	-
Rent, utilities and telephone	18,144	-
Payments of forfeitures	-	-
Other	-	188
Total Expenditures	187,894	28,666
Excess (Deficiency) of Revenues over Expenditures	(14,974)	(3,784)
Other Financing (Uses)		
Transfer out to General Fund	-	-
Excess (Deficiency) of Revenues over Expenditures and Other Uses	(14,974)	(3,784)
Fund Balance at Beginning of Year	(22,322)	7,535
Fund Balance at End of Year	\$ (37,296)	\$ 3,751

The accompanying notes are an integral part of this statement.

<u>School</u> <u>BOARD</u>	<u>Special</u> <u>Fwy</u>	<u>Forfeiture</u> <u>Accounts</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
-	-	-	\$13,040
-	-	\$26,808	26,808
-	-	-	153,842
\$103,121	-	-	103,121
-	\$20,865	-	20,865
-	-	19	19
<u>6,134</u>	<u>8,508</u>	<u>-</u>	<u>14,642</u>
109,255	29,373	26,828	365,432
108,246	5,500	-	289,839
-	-	-	4,075
-	-	678	8,883
-	-	-	-
-	-	-	10,144
-	-	19,701	13,791
<u>1,809</u>	<u>8,283</u>	<u>-</u>	<u>9,093</u>
109,255	13,783	19,371	332,143
-	10,590	10,453	10,289
<u>-</u>	<u>-</u>	<u>(8,108)</u>	<u>(8,108)</u>
-	10,590	9,345	8,189
<u>30</u>	<u>8,700</u>	<u>2,364</u>	<u>(13,687)</u>
<u>\$ 30</u>	<u>\$8,700</u>	<u>\$2,364</u>	<u>\$ (13,687)</u>

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
 St. John the Baptist Parish, Louisiana
 Statement of Revenues, Expenditures and Changes
 in Fund Balances - Budget (SWAP Basis) and Actual
 Title IV-D
 For the Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental revenue:			
Grant - Louisiana Department of Health and Human Resources	\$194,883	\$193,843	\$(1,041)
Interest earnings	<u> </u>	<u> 78</u>	<u> 78</u>
Total Revenues	<u>194,883</u>	<u>193,920</u>	<u>\$(863)</u>
Expenditures			
Salaries, related benefits and payroll taxes	151,000	151,800	(800)
continuing education and travel	4,000	4,878	(878)
Office supplies and maintenance	3,000	3,583	(583)
Rent, utilities and telephone	<u> 7,822</u>	<u>10,344</u>	<u>(2,522)</u>
Total Expenditures	<u>165,822</u>	<u>168,605</u>	<u>(2,783)</u>
(Deficiency) of Revenues over Expenditures	(71,339)	114,970	(12,713)
Fund Balance (Deficit): at Beginning of Year	12,708	121,222	108,514
Fund Balance (Deficit): at End of Year	<u>\$1,469</u>	<u>\$146,192</u>	<u>\$144,723</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (SWAP Basis) and Actual
Monthly Check Collection Fee
For the Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Collection fees on worthless checks			
Total Revenues	\$11,285	\$22,069	\$10,784
Expenditures			
Salaries, related benefits and payroll taxes	38,000	25,500	12,500
Office supplies and maintenance	7,000	1,830	5,170
Other	—	209	209
Total Expenditures	\$45,000	\$27,539	\$17,461
(Deficiency) of Revenues over Expenditures	(\$33,715)	(\$5,470)	(\$28,245)
Fund Balance at Beginning of Year	<u>7,555</u>	<u>7,555</u>	—
Fund Balance at End of Year	<u>\$802</u>	<u>\$2,085</u>	\$1,283

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
School Board
For the Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)(g)
Revenues			
Intragovernmental revenue:			
St. John the Baptist Parish			
School Board	\$96,852	\$103,121	\$6,269
Other	-	-8,138	(8,138)
Total Revenues	<u>\$96,852</u>	<u>\$103,255</u>	<u>\$6,403</u>
Expenditures			
Salaries, related benefits and payroll taxes	\$6,882	108,268	(11,386)
Other	-	-1,008	(1,008)
Total Expenditures	<u>\$6,882</u>	<u>\$109,253</u>	<u>\$12,403</u>
Excess (Deficiency) of revenues over expenditures	-	-	-
Fund Balance at Beginning of Year	28	28	-
Fund Balance at End of Year	<u>638</u>	<u>638</u>	<u>0</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (GRAP Basis) and Actual
Special Pay
For the Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental revenues:			
Pro-trial Diversion Program	\$28,344	\$20,865	\$7,479
Other	-	\$,588	\$,588
Total Revenues	<u>28,344</u>	<u>21,453</u>	<u>6,891</u>
Expenditures			
Salaries, related benefits and payroll taxes	12,970	5,588	7,482
Other	-	\$,281	(\$,281)
Total Expenditures	<u>12,970</u>	<u>5,869</u>	<u>7,101</u>
Excess of Revenues over Expenditures	15,374	15,584	2,210
Fund Balance at Beginning of Year	<u>8,100</u>	<u>8,708</u>	<u>-</u>
Fund Balance at End of Year	<u>\$21,574</u>	<u>\$24,292</u>	<u>\$2,718</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE FOURTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (GRAP Basis) and Actual
Forfeiture Account
For the Year Ended December 31, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Collection of forfeitures	\$28,167	\$24,888	\$3,279
Interest earnings	-	15	15
Total Revenues	28,167	24,903	3,264
Expenditures			
Payments of forfeitures	20,814	18,701	2,113
Office supplies and maintenance	-	678	(678)
Total Expenditures	20,814	19,379	1,435
Excess (Deficiency) of Revenues over Expenditures	6653	15,524	8,871
Other Financing Uses			
Transfer out to General Fund	-	(16,108)	(16,108)
Excess (Deficiency) of Revenues over Expenditures and Other Uses	6653	9,416	2,763
Fund Balance at Beginning of Year	1,324	1,324	-
Fund Balance at End of Year	8082	\$10,762	619,616

The accompanying notes are an integral part of this statement.

SUPPLEMENTAL INFORMATION SCHEDULE

DISTRICT ATTORNEY OF THE FOURTEENTH JUDICIAL DISTRICT
St. John the Baptist Parish, Louisiana
Supplemental Information Schedules
Summary Schedules of Prior Audit Findings
For the Year Ended December 31, 1997

Contact Person:

John W. Gray, IV.

District Attorney of the Fourteenth Judicial District
 St. John the Baptist Parish, Louisiana

Reference No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the district attorney's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Anticipated Completion Date: Not applicable.

Reference No.: 2

Fiscal Year Finding Initially Occurred: December 31, 1996

Finding Described: The General Fund's and School Board - Special Revenue Fund's total actual expenditures exceeded total budgeted expenditures by more than five percent. The following Special Revenue Funds had total actual revenues falling short of total budgeted revenues by more than five percent: Worthless Check and Forfeiture Account. The Title IV-B Special Revenue Fund's actual beginning fund balance failed to meet estimated fund balance by more than five percent. This was due to the shortage of funds available in this Special Revenue Fund.

Corrective Action Taken and Additional Explanation: All budgets were amended in 1997, as required by Louisiana Revised Statutes, and sufficient funds were transferred from the General Fund to cover any shortfalls in any of the Special Revenue Funds. However, due to the small dollar amounts within these funds, it is very difficult to not exceed the five percent threshold variance. Management is continuing to make efforts to resolve these budgeting problems.

DISTRICT ATTORNEY OF THE FORTIETH JUDICIAL DISTRICT
 St. John the Baptist Parish, Louisiana
 Supplemental Information Schedules
 Corrective Action Plan for Current Year Audit Findings
 For the Year Ended December 31, 1997

Contact Person:

John W. Crum, Jr.

District Attorney of the Fortieth Judicial District
 St. John the Baptist Parish, Louisiana

Reference No.: 1Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the district attorney's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Anticipated Completion Date: Not applicable.Reference No.: 2Fiscal Year Finding Initially Occurred: December 31, 1996

Finding Described: The General Fund's total actual expenditures exceeded total budgeted expenditures by more than five percent. The Northless Check Special Revenue Fund's total actual revenues failed to meet total budgeted revenues by more than five percent. The following Special Revenue Funds had total actual expenditures exceeding total budgeted expenditures by more than five percent: School Board and Special Pay. The Title IV-D Special Revenue Fund's actual beginning fund balance failed to meet estimated beginning fund balance by more than five percent. This was due to the shortage of funds available in the Title IV-D Special Revenue Fund.

Corrective Action and Additional Explanation: In the future, all budgets will be amended as required by Louisiana Revised Statutes, and sufficient funds will be transferred from the General Fund to cover any shortfalls in any of the Special Revenue Funds, as necessary. Also, the office has purchased a new computerized accounting package which will assist in the budget process.

Anticipated Completion Date: August 31, 1998

**OTHER REPORTS REQUIRED
GOVERNMENT AUDITING STANDARDS**

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

Honorable John M. Crum, Jr.
District Attorney of the Fortieth Judicial District
A Component Unit of the St. John the Baptist Parish Council
St. John the Baptist Parish, Louisiana

I have audited the general purpose financial statements of the District Attorney of the Fortieth Judicial District as of and for the year ended December 31, 1997, and have issued my report thereon dated June 1, 1998. I conducted my 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 a part of obtaining reasonable assurance about whether the District Attorney of the Fortieth Judicial District's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. Although not material to the financial statements, the results of my tests indicated the following instances of noncompliance:

Finding

The General Fund's total actual expenditures exceeded total budgeted expenditures by more than five percent. The Worthless Check Special Revenue Fund's total actual revenues failed to meet

total budgeted revenues by more than five percent. The following Special Revenue Funds had total actual expenditures exceeding total budgeted expenditures by more than five percent: School Board and Special Pay. The Title IV-D Special Revenue Fund's actual beginning fund balance failed to meet estimated beginning fund balance by more than five percent. This was due to the shortage of funds available in the Title IV-D Special Revenue Fund.

Management's Response

In the future, all budgets will be amended as required by Louisiana Revised Statutes, and sufficient funds will be transferred from the General Fund to cover any shortfalls in any of the Special Revenue Funds, as necessary. Also, the office has purchased a new computerized accounting package which will assist in the budget process.

I considered these instances of noncompliance in forming my opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. This report does not affect my report dated June 2, 1988, on these financial statements.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney of the Fortieth Judicial District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the district attorney's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. I noted that, as a material weakness, the size of the district attorney's operations and the limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control. Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial.

A material weakness is a reportable 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 accounts 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. My 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. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.



Keith J. Rovina
Certified Public Accountant

June 7, 1998