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**DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita**

**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 7-21-99

DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita

FINANCIAL REPORT  
DECEMBER 31, 1998

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# DONALD, TUCKER AND BETTS

(A PROFESSIONAL ACCOUNTING CORPORATION)

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Jerry Jones  
District Attorney of the  
Fourth Judicial District  
State of Louisiana  
Parishes of Morehouse and Ouachita

We have audited the accompanying component unit financial statements of the District Attorney of the Fourth Judicial District as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the District Attorney of the Fourth Judicial District. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Honorable Jerry Jones  
District Attorney of the  
Fourth Judicial District  
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In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 1999, on our consideration of District Attorney of the Fourth Judicial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Donald, Tucker & Betts*

DONALD, TUCKER & BETTS

Monroe, Louisiana  
June 10, 1999

DISTRICT ATTORNEY OF THE FOURTH  
 JUDICIAL DISTRICT  
 STATE OF LOUISIANA  
 Parishes of Morehouse and Ouachita

BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUP

DECEMBER 31, 1998

<u>G O V E R N M E N T A L</u>		<u>SPECIAL REVENUE FUND</u>	<u>ACCOUNT GROUP</u>	<u>TOTALS</u>
<u>GENERAL FUND</u>	<u>TITLE IV-D REIMBURSE-MEATS</u>	<u>ADOLESCENT DIVERSION PROGRAM GRANT</u>	<u>GENERAL FIXED ASSETS</u>	<u>(MEMORANDUM ONLY)</u>
				<u>1998</u>
(DISTRICT ATTORNEY'S EXPENSE)	\$ 8,111	\$ 0	\$ 0	\$1,502,951
	8,109	0	0	9,379
	34,112	4,639	0	38,751
	46,862	0	0	46,862
	156,600	0	0	156,600
	<u>0</u>	<u>0</u>	<u>\$623,930</u>	<u>546,954</u>
	<u>\$1,560,024</u>	<u>\$ 4,639</u>	<u>\$623,930</u>	<u>\$2,321,033</u>

ASSETS

Cash	\$ 8,111	\$ 0	\$ 0	\$1,502,951
Receivables:				
Commissions on fines and forfeitures	0	0	0	9,379
Grants from the Louisiana Department of Health and Human Resources	34,112	4,639	0	42,500
Interfund receivables	46,862	0	0	66,143
Other governmental units	156,600	0	0	153,106
Equipment	<u>0</u>	<u>0</u>	<u>\$623,930</u>	<u>546,954</u>
<b>TOTAL ASSETS</b>	<u>\$42,223</u>	<u>\$ 4,639</u>	<u>\$623,930</u>	<u>\$2,321,033</u>

LIABILITIES AND FUND BALANCE

LIABILITIES										
Accounts payable	\$	113,317	\$	0	\$	0	\$	113,317	\$	81,723
Due to interfund payables		0		42,223		4,639		46,862		66,143
Due to other governmental units		<u>82,232</u>		<u>0</u>		<u>0</u>		<u>82,232</u>		<u>103,619</u>
Total liabilities		<u>195,549</u>		<u>42,223</u>		<u>4,639</u>		<u>242,411</u>		<u>251,485</u>
FUND BALANCE										
Investment in general fixed assets		0		0		0		623,930		546,954
Fund balance - unreserved-undesignated		<u>1,364,475</u>		<u>0</u>		<u>0</u>		<u>1,364,475</u>		<u>1,522,594</u>
Total fund balance		<u>1,364,475</u>		<u>0</u>		<u>0</u>		<u>1,988,405</u>		<u>2,069,548</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$1,560,024</u>		<u>\$42,223</u>		<u>\$ 4,639</u>		<u>\$2,230,816</u>		<u>\$2,321,033</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE FOURTH  
 JUDICIAL DISTRICT  
 STATE OF LOUISIANA  
 Parishes of Morehouse and Ouachita

STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES, BY FUND  
 GOVERNMENTAL FUND TYPES  
 YEAR ENDED DECEMBER 31, 1998

G O V E R N M E N T A L		TOTALS	
GENERAL FUND	SPECIAL REVENUE FUND	1998	1997
(DISTRICT ATTORNEY'S EXPENSE)	TITLE IV-D REIMBURSEMENTS	(MEMORANDUM ONLY)	
		1998	1997
REVENUES			
Commissions on fines, forfeitures & court costs	\$ 344,849	\$ 344,849	\$ 299,714
Check collection fees	273,424	273,424	274,493
Grants - IV-D	91,725	286,661	367,019
Grants - other	78,366	78,366	70,788
Commissions on bonds	161,299	161,299	122,892
Grants - AD	0	44,397	0
Use of money and property - interest earnings	70,958	72,042	58,179
Other revenues	78,766	78,766	74,460
Contraband forfeitures	43,205	43,205	32,007
Total revenues	<u>1,142,592</u>	<u>1,383,009</u>	<u>1,299,552</u>
EXPENDITURES			
Current:			
Auto expense	18,925	18,925	0
Communications	0	0	0
Data processing	8,509	8,509	0
Grants	0	1,119	0
Investigation	0	0	5,249
Office supplies/service	45,107	45,107	10,340
LACE expenditures	134,989	134,989	140,828
Salaries	80,000	80,000	24,805
Payroll taxes	1,143	1,143	0
Seminars	45,763	45,763	52,022

Intergovernmental transfers:						
Morehouse Parish Police Jury:						
General Fund	0	19,390	0	19,390	10,981	
Ouachita Parish Police Jury:						
General Fund	0	67,377	0	67,377	26,046	
Criminal Court Fund	825,109	0	0	825,109	681,765	
Other expenditures	179,213	0	0	179,213	251,170	
Capital outlay:						
Current expenditures	<u>114,484</u>	<u>0</u>	<u>0</u>	<u>114,484</u>	<u>40,333</u>	
Total expenditures	<u>1,453,242</u>	<u>86,767</u>	<u>1,119</u>	<u>1,541,128</u>	<u>1,243,539</u>	
EXCESS OF REVENUES (EXPENDITURES) OVER EXPENDITURES (REVENUES)	( <u>310,650</u> )	<u>109,253</u>	<u>43,278</u>	( <u>158,119</u> )	<u>56,013</u>	
OTHER FINANCING SOURCES (USES)						
Operating transfers in	152,531	0	0	152,531	142,806	
Operating transfers out	<u>0</u>	( <u>109,253</u> )	( <u>43,278</u> )	( <u>152,531</u> )	( <u>142,806</u> )	
	<u>152,531</u>	( <u>109,253</u> )	( <u>43,278</u> )	<u>0</u>	<u>0</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	( <u>158,119</u> )	0	0	( <u>158,119</u> )	<u>56,013</u>	
FUND BALANCE, BEGINNING OF YEAR	<u>1,522,594</u>	<u>0</u>	<u>0</u>	<u>1,522,594</u>	<u>1,466,581</u>	
FUND BALANCE, END OF YEAR	<u>\$1,364,475</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,364,475</u>	<u>\$1,522,594</u>	

See accompanying notes to financial statements.

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DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1998

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
Commissions on fines, forfeitures and court costs	\$ 350,000	\$ 344,849	\$( 5,151)
Check collection fee	255,000	273,424	18,424
Grants - IV-D	353,738	91,725	(262,013)
Grants - other	157,869	78,366	( 79,503)
Commissions on bonds	150,000	161,299	11,299
Interest income	60,000	70,958	10,958
Other revenues	18,000	78,766	60,766
Contraband forfeitures	25,000	43,205	18,205
Total revenues	<u>1,369,607</u>	<u>1,142,592</u>	<u>(227,015)</u>
<b>EXPENDITURES</b>			
Current:			
Auto expense	0	18,925	( 18,925)
Repairs and maintenance	20,000	0	20,000
Communications	0	0	0
Data processing & investigation	10,000	8,509	1,491
Grant expenditures	85,000	0	85,000
Salary	85,000	81,143	3,857
Seminars	0	45,763	( 45,763)
L.A.C.E.	140,000	134,989	5,011
Office	85,000	45,107	39,893
Other expenditures	165,000	179,213	( 14,213)
Intergovernmental transfers:			
Ouachita Parish Police Jury:			
Criminal Court Fund	800,000	825,109	( 25,109)
General Fund	70,000	0	70,000
Morehouse Parish Police Jury:			
Criminal Court Fund	10,000	0	10,000
General Fund	13,000	0	13,000
Capital outlay:			
Current expenditures	120,000	114,484	5,516
Total expenditures	<u>\$1,603,000</u>	<u>\$1,453,242</u>	<u>\$ 149,758</u>

Continued

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE FOURTH  
 JUDICIAL DISTRICT  
 STATE OF LOUISIANA  
 Parishes of Morehouse and Ouachita

STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES -  
 BUDGET (GAAP BASIS) AND ACTUAL  
 YEAR ENDED DECEMBER 31, 1998

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$( 233,393)	\$( 310,650 )	\$( 77,257)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	152,531	152,531
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	( 233,393)	( 158,119 )	75,274
FUND BALANCE, BEGINNING OF YEAR	<u>1,522,594</u>	<u>1,522,594</u>	<u>0</u>
FUND BALANCE, END OF YEAR	\$ <u>1,289,201</u>	\$ <u>1,364,475</u>	\$ <u>75,274</u>

See accompanying notes to financial statements.

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DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita  
ALL FUND TYPES AND ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Fourth Judicial District encompasses the parishes of Ouachita and Morehouse.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government. The GASB had issued a codification of governmental accounting and financial reporting standards (June, 1992). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government (the latest codification issued June 30, 1998). The accompanying financial statements have been prepared in accordance with such principles.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney of the Fourth Judicial District is a part of the district court system of the State of Louisiana. However, the state statutes that create the district attorneys also give the district attorneys control over all their 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. In accordance with GASB Statement 14, the District Attorney of the Fourth Judicial District is a component unit of the Ouachita and Morehouse Parish Police Juries. For reporting purposes, the entity is considered to be a component unit of the Ouachita Parish Police Jury inasmuch as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

**A. FUND ACCOUNTING**

The accounts of the District Attorney are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following funds and the

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DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita  
ALL FUND TYPES AND ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

account group presented in the financial statements are described as follows:

Governmental Fund Types:

General Fund (District Attorney's Expense)

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office. In addition, a \$20 court cost fee is designated for the District Attorney.

Special Revenue Fund (Title IV-D)

The Special Revenue Fund consists of grants of federal and state funds from the Louisiana Department of Health and Human Resources, authorized by Act 117 of 1975 to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their family and children, to locate absent parents, to establish paternity, and to obtain family and child support. All monies received by the fund are reimbursements of expenditures made by other funds and are, therefore, transferred to the expending funds leaving a zero fund balance.

Special Revenue Fund (Adolescent Diversion Program)

The Special Revenue Fund consists of grants of state funds from the Louisiana Department of Hospitals. The grants are six months in length for the purpose of identification and counseling of young adults as first offense drug abusers or at risk to the community so as to return them as a productive part of society. All monies received by the fund are reimbursements of expenditures made by other funds and are, therefore, transferred into the expending funds leaving a zero fund balance.

Account Group:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is

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DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita  
ALL FUND TYPES AND ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

not available. No depreciation is recorded on general fixed assets.

**B. CRIMINAL COURT FUNDS**

At the beginning of 1988, the District Attorney of the Fourth Judicial District assumed administrative responsibilities over the criminal court funds for Ouachita and Morehouse parishes from the respective police juries. The criminal court fund is established by statute to defray the expenditures of the District Attorney of the Fourth Judicial District's office. The transfer of the fund from the police juries was approved by the Chief Judge. On October 10, 1989, at the District Attorney of the Fourth Judicial District's request, the Attorney General issued an opinion determining that the criminal court fund must be administered by the respective police jury. The District Attorney of the Fourth Judicial District reverted the funds back to the police juries as of January 1, 1990. For the year ending December 31, 1998, the criminal court funds were administered by the police juries and are, therefore, not included in these financial statements.

**C. LONG-TERM LIABILITIES**

There are no long-term liabilities at December 31, 1998.

**D. CONCENTRATION OF RISK**

The District Attorney of the Fourth Judicial District maintains cash balances at several banks. Financial instruments that potentially subject the District Attorney to credit risk include cash balances at two banks which exceeded the related federal deposit insurance by \$74,874 at December 31, 1998, and were not collateralized by securities held by the financial institution.

**E. 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 the measurements made, regardless of the measurement focus applied.

The District Attorney of the Fourth Judicial District's records are maintained on a cash basis of accounting. However, the funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita  
ALL FUND TYPES AND ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

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

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

Interest earned on investments is recorded when the investment has matured and the income is available.

Substantially 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.

Other Financing Sources/Uses

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

**F. BUDGETARY PRACTICES**

An annual operating budget is adopted each year for the General Fund, and the same basis of accounting is used to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis. All appropriations lapse at year end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the District Attorney of the Fourth Judicial District does not use encumbrance accounting.

No budget is prepared for the Title IV-D Reimbursements Special Revenue Fund, as all receipts are reimbursements of expenditures made by other funds and are reimbursed to those funds.

**G. TOTAL COLUMNS ON STATEMENTS - OVERVIEW**

The total columns on the statements - overview 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 FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita  
ALL FUND TYPES AND ACCOUNT GROUP

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

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 expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

Balance, beginning of year	\$ 546,954
Additions	132,168
Disposal	( 55,192)
Balance, end of year	\$ <u>623,930</u>

During 1993, the District Attorney of the Fourth Judicial District adopted a fixed asset capitalization policy that states any item costing \$500 or greater will be assigned an inventory number and tag, and accounted for in the General Fixed Assets Account Group, thereby reducing the size and volume of individual small items comprised in the account group.

NOTE 3 - 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 out of the funds of police juries of Morehouse and Ouachita parishes or directly by the state of Louisiana.

NOTE 4 - IV-D REIMBURSEMENT GRANT

The District Attorney of the Fourth Judicial District 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 program is funded by indirect federal assistance payments and direct state assistance payments received from the Louisiana Department of Health and Human Resources.

The following is a summary of program cash receipts and disbursements during the fiscal year and a reconciliation of program cash receipts to revenues as reported in the financial statements for the year ended December 31, 1998.

	<u>December 31, 1998</u>
Title IV-D Program Activity:	
Cash receipts	\$193,072
Cash disbursed	165,246

DISTRICT ATTORNEY OF THE FOURTH  
 JUDICIAL DISTRICT  
 STATE OF LOUISIANA  
 Parishes of Morehouse and Ouachita  
 ALL FUND TYPES AND ACCOUNT GROUP

NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 1998

NOTE 4 - IV-D REIMBURSEMENT GRANT (Continued)

Reconciliation of program cash receipts to revenues  
December 31, 1998

Cash receipts listed above	\$193,072
Adjustments:	
Add accounts receivable, end of year	34,112
Deduct accounts receivable, beginning of year	<u>32,248</u>
Total IV-D revenues	<u>\$194,936</u>

NOTE 5 - PENSION PLANS

The District Attorney of the Fourth Judicial District and Assistant District Attorneys are members of the Louisiana District Attorneys Retirement System. The District Attorney and certain other employees are paid through the Fourth Judicial District. All other employees are paid by the Ouachita Parish Police Jury. The administrative staff of the District Attorney's office are members of the Parochial Employees Retirement System of Louisiana. Other than the contribution required by the District Attorney's Retirement System and recorded as an expenditure, the District Attorney's office does not guarantee any of the benefits granted by the above retirement systems.

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

Expenditures of the funds are reimbursed by other funds and create interfund receivables and payables. The receivables and payables are short-term as repayment occurs in the following year.

NOTE 7 - FEDERAL FINANCIAL ASSISTANCE

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>		<u>Revenue</u>	<u>Expenditures</u>
		<u>1997-1998</u>	<u>1998-1999</u>	<u>Recognized</u>	
Department of Health and Human Services (O.C.S.E.) State of Louisiana Dept. of Health and Human Resources (O.F.S.): Child Support Enforcement Reimbursement	13.783	<u>\$253,030</u>	<u>\$328,228</u>	<u>\$194,936</u>	<u>\$194,936</u>

DISTRICT ATTORNEY OF THE FOURTH  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of Morehouse and Ouachita  
ALL FUND TYPES AND ACCOUNT GROUP

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE 8 - YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The District Attorney of the 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 District Attorney's operations. Based on this inventory, the District Attorney is in the remediation stage in that the consultant is assessing the need to make changes, convert or replace existing systems. The estimated total cost is \$10,000 which is not material to the component unit financial statements at December 31, 1998. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District Attorney 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 2000 ready.

NOTE 9 - PRIOR YEAR FINDINGS

There were no prior year findings or management letter comments.

# DONALD, TUCKER AND BETTS

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Jerry Jones  
District Attorney of the  
Fourth Judicial District  
State of Louisiana  
Parishes of Morehouse and Ouachita

We have audited the component unit financial statements of the District Attorney of the Fourth Judicial District, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 10, 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 Fourth Judicial District's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the District Attorney of the 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 component unit 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the District Attorney of the Fourth Judicial District and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Donald, Tucker & Betts*

DONALD, TUCKER & BETTS

Monroe, Louisiana  
June 10, 1999