

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
OBERLIN, LOUISIANA

A COMPONENT UNIT OF THE ALLEN PARISH POLICE JURY

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2010

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

6/29/11

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# Stutzman & Gates, LLC

## Certified Public Accountants

Members:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

Honorable Todd Nesom  
District Attorney of the Thirty-Third Judicial District  
A Component Unit of the  
Allen Parish Police Jury  
P. O. Box 839  
Oberlin, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the 33rd Judicial District, component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2010, which collectively comprise the District Attorney of the 33<sup>rd</sup> Judicial District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District Attorney of the 33rd Judicial District's management. Our responsibility is to express opinions on these financial statements based on our audit.

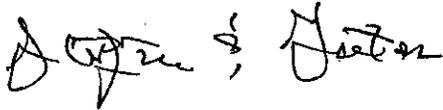
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District Attorney of the 33rd Judicial District, as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2011, on our consideration of the District Attorney of the 33rd Judicial District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 25 through 27 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District Attorney of the 33rd Judicial District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Handwritten signature in cursive script, appearing to read "Stutzman & Gates".

Stutzman & Gates, LLC  
June 24, 2011

**BASIC FINANCIAL STATEMENTS**

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES  
December 31, 2010

ASSETS	<u>GOVERNMENTAL ACTIVITIES</u>
Current assets:	
Cash	\$ 395,670
Prepaid expenses	1,772
Receivables:	
Other governments	53,810
Interest	87
TOTAL CURRENT ASSETS	<u>451,339</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	107,554
TOTAL ASSETS	<u>558,893</u>
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	35,973
TOTAL LIABILITIES	<u>35,973</u>
 NET ASSETS:	
Invested in capital assets, net of related debt	107,554
Unrestricted	415,366
TOTAL NET ASSETS	<u>\$ 522,920</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES  
For the Year Ended December 31, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants	
Judicial Activities	\$ 987,011	\$ 769,968	\$ 224,320	\$ 7,277
Total governmental activities	<u>\$ 987,011</u>	<u>\$ 769,968</u>	<u>\$ 224,320</u>	<u>\$ 7,277</u>
GENERAL REVENUES				
				787
				85,832
				98,553
				18,317
				<u>9,934</u>
			Total General Revenues	<u>213,423</u>
			CHANGES IN NET ASSETS	220,700
			NET ASSETS - BEGINNING	<u>302,220</u>
			NET ASSETS - ENDING	<u>\$ 522,920</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

Balance Sheet, Governmental Funds

December 31, 2010

	GENERAL FUND	WORTHLESS CHECK FUND	PROBATION FUND	INTERVENTION FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash	\$ 387,011	\$ 2,774	\$ 635	\$ 5,250	\$ 395,670
Prepaid expenses	1,772	-	-	-	1,772
Receivables	53,897	-	-	-	53,897
<b>TOTAL ASSETS</b>	<b>\$ 442,680</b>	<b>\$ 2,774</b>	<b>\$ 635</b>	<b>\$ 5,250</b>	<b>\$ 451,339</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 35,973	\$ -	\$ -	\$ -	\$ 35,973
<b>Total Liabilities</b>	<b>35,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,973</b>
<b>Fund balances:</b>					
Unreserved-undesignated	406,707	2,774	635	5,250	415,366
<b>Total Fund Balances</b>	<b>406,707</b>	<b>2,774</b>	<b>635</b>	<b>5,250</b>	<b>415,366</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 442,680</b>	<b>\$ 2,774</b>	<b>\$ 635</b>	<b>\$ 5,250</b>	<b>\$ 451,339</b>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
December 31, 2010

TOTAL FUND BALANCE FOR GOVERNMENTAL FUNDS AT DECEMBER 31, 2010	\$ 415,366
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets, net of accumulated depreciation	<u>107,554</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES AT DECEMBER 31, 2010	<u>\$ 522,920</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT

Oberlin, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2010

	GENERAL FUND	WORTHLESS CHECK FUND	PROBATION FUND	INTERVENTION FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Commissions on fines and forfeitures and fees for collection of worthless checks	\$ 296,792	\$ 40,706	\$ 136,406	\$ 179,307	\$ 653,211
Intergovernmental revenues:					
Parish police jury grants	98,553	-	-	-	98,553
Parish school board	51,183	-	-	-	51,183
Federal grants	143,137	-	-	-	143,137
State revenues	30,000	-	-	-	30,000
Interest earnings	589	12	37	149	787
Other revenues:					
Gaming revenues	85,832	-	-	-	85,832
Worthless checks	-	116,757	-	-	116,757
Forfeitures	18,317	-	-	-	18,317
Miscellaneous	9,921	13	-	-	9,934
<b>TOTAL REVENUES</b>	<b>734,324</b>	<b>157,488</b>	<b>136,443</b>	<b>179,456</b>	<b>1,207,711</b>
<b>EXPENDITURES</b>					
Auto expenses	9,429	-	-	-	9,429
Bank charges	24	193	-	183	400
Capital outlay	6,550	-	-	-	6,550
Contract labor	250	-	-	-	250
Drug education	1,035	-	-	-	1,035
Dues and subscriptions	2,142	-	-	-	2,142
Insurance	5,125	-	-	-	5,125
Intergovernmental transfers	-	12,800	64,980	18,967	96,747
Lace	74,721	-	-	-	74,721
Medical	345	-	-	-	345
Miscellaneous	1,470	11	852	-	2,333
Office	10,484	-	-	-	10,484
Postage	3,394	-	-	-	3,394
Public relations	1,350	-	-	-	1,350
Restitution	-	-	-	17,663	17,663
Salaries and benefits	618,726	-	-	-	618,726
Seminars	12,284	-	-	-	12,284
Telephone	2,918	-	-	-	2,918
Travel	1,783	-	-	-	1,783
Uniforms	4,319	-	-	-	4,319
Utilities	835	-	-	-	835
Worthless check disbursements	-	116,367	-	-	116,367
<b>TOTAL EXPENDITURES</b>	<b>757,184</b>	<b>129,371</b>	<b>65,832</b>	<b>36,813</b>	<b>989,200</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(22,860)</b>	<b>28,117</b>	<b>70,611</b>	<b>142,643</b>	<b>218,511</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	259,321	-	-	-	259,321
Operating transfers out	-	(27,906)	(74,343)	(157,072)	(259,321)
<b>Total other financing sources (uses)</b>	<b>259,321</b>	<b>(27,906)</b>	<b>(74,343)</b>	<b>(157,072)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>236,461</b>	<b>211</b>	<b>(3,732)</b>	<b>(14,429)</b>	<b>218,511</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>170,246</b>	<b>2,563</b>	<b>4,367</b>	<b>19,679</b>	<b>196,855</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 406,707</b>	<b>\$ 2,774</b>	<b>\$ 635</b>	<b>\$ 5,250</b>	<b>\$ 415,366</b>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended December 31, 2010

Amounts reported for governmental activities in the statement of activities are different because:

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS INCREASE	\$ 218,511
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Governmental funds report capital outlays as expenditures, however, in the statement of activities the capitalized cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlay exceeded depreciation expense:

Capital outlay	\$ 6,550	
Depreciation expense	<u>(4,361)</u>	<u>2,189</u>

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 220,700</u>
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The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Statement of Fiduciary Net Assets - Agency Funds  
December 31, 2010

	<u>FORFEITURE FUND</u>	<u>TIX FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 35,831</u>	<u>\$ 16,373</u>	<u>\$ 52,204</u>
TOTAL ASSETS	<u>\$ 35,831</u>	<u>\$ 16,373</u>	<u>\$ 52,204</u>
<b>LIABILITIES</b>			
Due to other agencies	<u>\$ 35,831</u>	<u>\$ 16,373</u>	<u>\$ 52,204</u>
TOTAL LIABILITIES	<u>\$ 35,831</u>	<u>\$ 16,373</u>	<u>\$ 52,204</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements  
As of and for the Year Ended December 31, 2010

## 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. He is also the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury, and 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 judicial district encompasses the parish of Allen, Louisiana. The District Attorney has approximately twenty employees.

## REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury financial statements would be misleading if data of the organization were not included because of the nature or significance of the relationship, the district attorney was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district attorney and do not present information on the police jury, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District Attorney of the Thirty-Third Judicial District of Allen Parish. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Reimbursements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Interfund transfers are made to meet current or anticipated needs.

The District Attorney's office reports the following governmental funds:

**General Fund** - The general operating fund of the District Attorney and accounts for all financial resources, except those required to be accounted for in other funds. To account for fines collected and bonds forfeited used to operate the District Attorney's office. Also to account for the State Department of Social Service's grant reimbursement used to fund family and child support enforcement services.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Special Revenue Funds:**

**Worthless Checks** - To account for the collection and processing of worthless checks. Fees collected vary according to the check amount.

**Intervention** - To account for the pre-trial intervention and diversion programs.

**Probation** - To account for the probation program.

Additionally, the District Attorney's office reports the following fund types:

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

**Agency Funds:**

**Forfeiture** - To account for the collection and distribution of seized and forfeited assets.

**Tix** - To account for the collection and distribution of online payments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District Attorney's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Budgets**

A budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Encumbrance accounting is not used.

In December of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

There was one amendment to the General Fund during the year and the amendment is reflected in the budget comparison. There was one amendment to the Probation Fund and the Intervention Fund during the year and the amendment is reflected in the budget comparison. A budget was not prepared for the Worthless Checks Fund for 2010.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**E. Investments**

Investments are limited by R.S. 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**F. Prepaid Items**

The District Attorney records as prepaid assets, expenditures during the current period that will benefit the subsequent period.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., drainage structures, bridges, and similar items), are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The District Attorney has established a \$5,000 capitalization threshold.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture, fixtures and equipment	5-10 years
Vehicles	5 years

**H. Compensated Absences**

The District Attorney's leave policy does not provide for the accumulation and vesting of leave.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I. Fund Balances**

**Reserves**

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific use.

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**K. Interfund Transfers**

Transfers are made into the General Fund from the Special Revenue Funds to assist in the payment of normal operating expenditures.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the District Attorney, the District Attorney’s office maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District Attorney’s office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District Attorney’s office places no limit on the amount the District Attorney’s office may invest in any one issuer.

At December 31, 2010, the District Attorney has cash and cash equivalents (book balances) totaling \$447,874 as follows:

Interest-bearing demand deposits	\$ 409,028
Demand deposits	16,373
Time deposits	22,473
Total	<u>\$ 447,874</u>

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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, 2010, the District Attorney has \$514,945 in deposits (collected bank balances). These deposits are secured from risk by \$355,962 of federal deposit insurance and \$158,983 of pledged securities held by the custodial bank in the name of the fiscal agency bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 - RECEIVABLES**

The following is a summary of receivables at December 31, 2010:

<u>Class of Receivable</u>	<u>General Fund</u>
Federal grant	\$ 25,485
Fines and reimbursements	28,325
Interest	87
Total	<u>\$ 53,897</u>

**NOTE 4 - CHANGES IN CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ending December 31, 2010:

	<u>Building Improvements</u>	<u>Furniture, Fixtures &amp; Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Capital assets being depreciated				
Cost at December 31, 2009	\$ 120,696	\$ 55,792	\$ 28,801	\$ 205,289
Additions	-	-	6,550	6,550
Deletions	-	-	(17,842)	(17,842)
Cost at December 31, 2010	<u>120,696</u>	<u>55,792</u>	<u>17,509</u>	<u>193,997</u>
Depreciation:				
Accumulated depreciation - December 31, 2009	(16,698)	(54,851)	(28,375)	(99,924)
Additions	(3,259)	(458)	(644)	(4,361)
Deletions	-	-	17,842	17,842
Accumulated depreciation - December 31, 2010	<u>(19,957)</u>	<u>(55,309)</u>	<u>(11,177)</u>	<u>(86,443)</u>
Capital assets, net of accumulated depreciation at December 31, 2010	<u>\$ 100,739</u>	<u>\$ 483</u>	<u>\$ 6,332</u>	<u>\$ 107,554</u>

Depreciation expense of \$4,361 was charged to judicial activities for the year 2010

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**NOTE 5 -- INTERFUND RECIEVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund transfers for the year ending December 31, 2010 is as follows:

Interfund Tranfers:

From	To	Amount
Intervention Fund	General Fund	\$ 157,072
Probation Fund	General Fund	74,343
Worthless Checks Fund	General Fund	27,906
Total		<u>\$ 259,321</u>

The District Attorney's office makes routine transfers between funds to pay routine expenses that occur during the year.

**NOTE 6 - PENSION PLANS**

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

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 23 or more years of creditable service regardless of age may retire with a 3% benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3% benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3% benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3% of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100% of his average final compensation.

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

**NOTE 6 - PENSION PLANS**

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

*Funding Policy.* Plan members are required by state statute to contribute 7.0% of their annual covered salary. Contributions to the System also include .2% of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members may be amended by state statute. The District Attorney, effective July 1, 2004, began making a matching contribution which were discontinued during 2007 and reinstated during 2009. As provided by R.S. 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. Contributions for 2010, 2009, and 2008 totaled \$9,784, \$3,487, and \$0, respectively.

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980 plus 3% of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
Notes to the Financial Statements (Continued)

**NOTE 6 - PENSION PLANS**

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The 2010 rate is 15.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System under Plan A for the years ending 2010, 2009, and 2008 were \$52,023, \$34,826, and \$43,861 respectively, equal to the required contributions for each year.

**NOTE 7 - RISK MANAGEMENT**

The District Attorney is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District Attorney did not reduce insurance coverage during 2010.

**NOTE 8 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

The utilities used by the District Attorney in the office building that it occupies are paid for by the Allen Parish Police Jury. The Allen Parish Police Jury also pays for certain insurance coverages.

**NOTE 9 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Forfeiture Fund	\$ 43,478	\$ 85,952	\$ 93,599	\$ 35,831
Tix Fund	-	81,844	65,471	16,373
Total Agency funds	<u>\$ 43,478</u>	<u>\$ 167,796</u>	<u>\$ 159,070</u>	<u>\$ 52,204</u>

**NOTE 10 - SUBSEQUENT EVENT REVIEW**

The District Attorney's management has evaluated subsequent events through June 24, 2011, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2010

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Commissions on fines and other costs	\$ 152,500	\$ 279,900	\$ 296,792	\$ 16,892
Intergovernmental revenues:				
Parish police jury grants	92,000	107,000	98,553	(8,447)
Parish school board	50,000	51,100	51,183	83
Federal grants	135,000	127,000	143,137	16,137
State revenues	32,500	30,000	30,000	-
Interest earnings	1,000	1,000	589	(411)
Other revenues:				
Gaming revenues	110,000	85,000	85,832	832
Forfeitures	3,500	18,500	18,317	(183)
Miscellaneous	-	10,200	9,921	(279)
<b>TOTAL REVENUES</b>	<b>576,500</b>	<b>709,700</b>	<b>734,324</b>	<b>24,624</b>
<b>EXPENDITURES</b>				
Auto expenses	7,500	9,300	9,429	(129)
Bank charges	500	500	24	476
Capital outlay	1,200	6,800	6,550	250
Contract labor	500	1,200	250	950
Drug education	1,500	1,500	1,035	465
Dues and subscriptions	3,000	2,200	2,142	58
Insurance	6,000	5,000	5,125	(125)
Lace	71,000	71,000	74,721	(3,721)
Medical	500	345	345	-
Miscellaneous	3,500	3,150	1,470	1,680
Office	15,000	22,000	10,484	11,516
Postage	5,000	3,350	3,394	(44)
Public relations	1,000	1,000	1,350	(350)
Repairs	500	500	-	500
Salaries and benefits	575,000	634,000	618,726	15,274
Seminars	12,000	10,700	12,284	(1,584)
Telephone	2,500	3,000	2,918	82
Travel	3,500	1,800	1,783	17
Uniforms	300	4,300	4,319	(19)
Utilities	-	850	835	15
<b>TOTAL EXPENDITURES</b>	<b>710,000</b>	<b>782,495</b>	<b>757,184</b>	<b>25,311</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(133,500)</b>	<b>(72,795)</b>	<b>(22,860)</b>	<b>49,935</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	255,000	274,100	259,321	(14,779)
Total other financing sources (uses)	255,000	274,100	259,321	(14,779)
<b>NET CHANGE IN FUND BALANCE</b>	<b>121,500</b>	<b>201,305</b>	<b>236,461</b>	<b>35,156</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>170,246</b>	<b>170,246</b>	<b>170,246</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 291,746</b>	<b>\$ 371,551</b>	<b>\$ 406,707</b>	<b>\$ 35,156</b>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2010.

All of the expenditures, except the following, were amended more than 10%: bank charges, public relations, contract labor, drug education, lace, miscellaneous, & repairs.

The following revenues were amended by more than 10%: Commissions on fines and other costs, parish police jury grants, gaming, forfeitures, & miscellaneous.

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
PROBATION FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2010

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Commissions on fines and other costs	\$ 100,000	\$ 90,000	\$ 136,406	\$ 46,406
Interest earnings	100	100	37	(63)
TOTAL REVENUES	<u>100,100</u>	<u>90,100</u>	<u>136,443</u>	<u>46,343</u>
<b>EXPENDITURES</b>				
Intergovernmental transfers	-	-	64,980	(64,980)
Miscellaneous	-	-	852	(852)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>65,832</u>	<u>(65,832)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>100,100</u>	<u>90,100</u>	<u>70,611</u>	<u>(19,489)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	(100,100)	(90,100)	(74,343)	15,757
Total other financing sources (uses)	<u>(100,100)</u>	<u>(90,100)</u>	<u>(74,343)</u>	<u>15,757</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(3,732)</u>	<u>(3,732)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,367</u>	<u>4,367</u>	<u>4,367</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,367</u>	<u>\$ 4,367</u>	<u>\$ 635</u>	<u>\$ (3,732)</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2010.  
The expenditures and other financing uses were underbudgeted by \$50,075.

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-THIRD JUDICIAL DISTRICT  
Oberlin, Louisiana  
INTERVENTION FUND  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2010

	BUDGETED		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Commissions on fines and other costs	\$ 120,000	\$ 156,100	\$ 179,307	\$ 23,207
Interest earnings	500	500	149	(351)
TOTAL REVENUES	120,500	156,600	179,456	22,856
EXPENDITURES				
Bank charges	-	-	183	(183)
Intergovernmental transfers	-	-	18,967	(18,967)
Restitution	-	-	17,663	(17,663)
TOTAL EXPENDITURES	-	-	36,813	(36,813)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	120,500	156,600	142,642	(13,957)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(120,500)	(156,600)	(157,072)	(472)
Total other financing sources (uses)	(120,500)	(156,600)	(157,072)	(472)
NET CHANGE IN FUND BALANCE	-	-	(14,429)	(14,429)
FUND BALANCE AT BEGINNING OF YEAR	19,679	19,679	19,679	-
FUND BALANCE AT END OF YEAR	\$ 19,679	\$ 19,679	\$ 5,250	\$ (14,429)

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles. There was one amendment to the budget in 2010.

The expenditures and other financing uses were underbudgeted by \$37,285.

The following accounts were amended more than 10%: Commissions on fines and other costs & operating transfers out.

The accompanying notes are an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT SECTION

# Stutzman & Gates, LLC

## Certified Public Accountants

Members:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

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

Honorable Todd Nesom  
District Attorney of the Thirty-Third Judicial District  
A Component Unit of the  
Allen Parish Police Jury  
P. O. Box 839  
Oberlin, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the District Attorney of the 33rd Judicial District as of and for the year ended December 31, 2010, which collectively comprise the District Attorney of the 33rd Judicial District's basic financial statements and have issued our report thereon dated June 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the 33rd Judicial District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the 33rd Judicial District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the 33rd Judicial District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designated to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

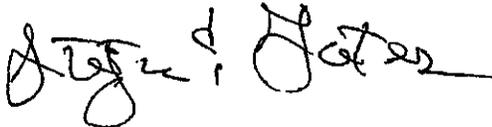
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. See items 2010-1, 2010-2, and 2010-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney of the 33rd Judicial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2010-3.

The District Attorney of the 33rd Judicial District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the District Attorney of the 33rd Judicial District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, The District Attorney of the 33<sup>rd</sup> Judicial District, the Allen Parish Police Jury, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Stutzman & Gates, LLC  
June 24, 2011

**District Attorney of the Thirty-Third Judicial District  
Schedule of Findings & Responses  
For the Year Ended December 31, 2010**

**2010-1 Segregation of Duties**

**Condition:** Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

**Criteria:** Effective internal control requires adequate segregation of duties among client personnel.

**Effect:** Without proper segregation of duties, errors within the financial records or fraud could go undetected.

**Recommendation:** To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

**Response:** We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**2010-2 Controls over Financial Reporting**

**Condition:** In our judgment, the personnel of the Office of the District Attorney of the Thirty-Third Judicial District do not have the specialized accounting training necessary to generate the financial statements, together with related notes in accordance with generally accepted accounting principles (GAAP).

**Criteria:** The Auditing Standards Board recently issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. SAS No. 112 emphasizes that the auditor cannot be part of your system of internal control over financial reporting.

**Effect:** Material misstatements in financial statements could go undetected.

**Recommendation:** In our judgment, due to the lack of resources available to management to correct this material weakness in financial reporting, we recommend management mitigate this weakness by having a heightened awareness of all transactions being reported.

**Response:** We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

**District Attorney of the Thirty-Third Judicial District  
Schedule of Findings & Responses  
For the Year Ended December 31, 2010**

**2010-3 Local government budget act – Budgetary authority and control**

- Condition:** The Probation Fund and Intervention Fund budgets did not reflect transfers to other government agencies and other uses. Actual expenditures and other uses exceeded budgeted expenditures and other uses by 56% in the Probation Fund for the year ended December 31, 2010. Actual expenditures and other uses exceeded budgeted expenditures and other uses by 24% in the Intervention Fund for the year ended December 31, 2010.
- Criteria:** La. Rev. Stat. §39:1311 (A) (2). Whenever total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding budgeted expenditures and other uses by five percent or more, the budget shall be amended.
- Effect:** Violation of local government budget act.
- Recommendation:** The District Attorney should include transfers to other government agencies and other uses in the budget. The District Attorney should amend the budget whenever actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures and other uses by five percent or more.
- Response:** We concur with this recommendation. The District Attorney will amend its budget whenever necessary in the future.

**District Attorney of the Thirty-Third Judicial District  
Status of Prior Audit Findings  
For the Year Ended December 31, 2010**

**2009-1 Segregation of Duties**

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.

**2009-2 Controls over Financial Reporting**

Corrective action taken – Due to lack of sufficient financial resources, this finding cannot be resolved.

**2009-3 Local Government Budget Act – Budgetary authority and control**

Corrective action taken – Yes.