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**DISTRICT ATTORNEY
 OF THE THIRD JUDICIAL DISTRICT
 PARISHES OF
 LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS
 DECEMBER 31, 2001**

These financial statements were prepared by the District Attorney for the Parishes of Lincoln and Union, Louisiana, and are intended to provide information to the public. They are not intended to be used for any other purpose. The District Attorney is not responsible for the accuracy or completeness of the information contained herein. The District Attorney is not responsible for the accuracy or completeness of the information contained herein.

Johnnie D. [Signature] 12/12/01

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2001**

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INDEPENDENT AUDITOR'S REPORT

Honorable Robert W. Levy
District Attorney of the Third Judicial District
P.O. Box 777
Ruston, Louisiana 71273

I have audited the accompanying general purpose financial statements of the District Attorney of the Third Judicial District, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the District Attorney's management. 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 and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 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 Third Judicial District as of December 31, 2001, and the results of its 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 30, 2002, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules 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 Third Judicial District. Such 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.


Don M. McGehee
Certified Public Accountant
June 30, 2002

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001**

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2000

ASSETS	GOVERNMENTAL FUND TYPES		PRIMARY ELEMENTS		ACCOUNT GROUP GENERAL		TOTALS	
	GENERAL	SPECIAL REVENUE	AGENCY	ASSETS	2001	2000	MEMBERSHIP/COLLEGE	2000
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	22,043	26,000	209,191	0	0	258,796	364,000	
Certificates of Deposit	90,048	53,142	0	0	0	143,796	0	
Interest Receivable	737	0	0	0	0	737	0	
Due from Other Units	94,370	99,699	0	0	0	93,809	43,469	
Due from Criminal Court Fund	139,784	0	0	0	0	139,784	73,045	
Due from Others	1,000	0	0	0	0	1,000	0	
Due from Other Funds	64,791	11,169	0	0	0	65,910	59,468	
Non-Cash Assets Seized	0	0	941,899	0	0	141,899	96,928	
Equipment	0	0	0	433,319	0	433,319	529,800	
TOTAL ASSETS	5,209,553	5,150,512	5,261,089	433,319	433,319	6,126,539	6,116,034	
LIABILITIES AND FUND EQUITY								
LIABILITIES								
Accounts Payable	34,562	0	0	0	0	34,562	3,261	
Accrued Liabilities	49,727	0	0	0	0	49,727	41,161	
Retainers not yet Forfeited	0	0	302,842	0	0	302,842	248,563	
Judgments not yet Disbursed	0	0	24,710	0	0	24,710	46,527	
Due to Members	0	276	0	0	0	276	119	
Due to Other Funds	0	83,373	3,837	0	0	87,210	59,469	
TOTAL LIABILITIES	84,289	83,659	361,369	0	0	496,427	387,440	
FUND EQUITY								
Investment in Fixed Assets	0	0	0	632,519	0	632,519	420,880	
Fund Reserves	234,894	47,893	0	0	0	272,787	240,528	
Unreserved and Unassigned	234,865	47,865	0	632,819	0	795,559	794,788	
TOTAL FUND EQUITY	469,759	95,758	0	632,819	0	1,198,336	1,216,216	
TOTAL LIABILITIES								

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA

AND FUND EQUITY \$ 1,153,132 \$ 261,889 \$ 492,459 \$ 1,208,109 \$ 1,953,224

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE TOTALS FOR 2000

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			2001	2000
REVENUES				
Fees	\$ 75,458	\$ 50,187	\$ 125,645	\$ 127,320
Grants and Other Assistance	142,330	136,269	277,600	289,240
Interest Income	6,604	3,739	10,343	12,935
Intergovernmental	382,254	20,368	402,622	380,799
On-Behalf Revenue	412,660	31,721	444,381	467,870
Other Income	0	0	0	239
TOTAL REVENUES	<u>917,302</u>	<u>242,365</u>	<u>1,159,667</u>	<u>1,137,772</u>
EXPENDITURES				
General Government	600,362	281,737	1,216,089	1,208,381
Capital Outlay	33,849	210	11,688	62,127
TOTAL EXPENDITURES	<u>634,211</u>	<u>281,947</u>	<u>1,227,758</u>	<u>1,257,518</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(216,909)	(41,582)	(71,071)	(110,746)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,157	0	2,157	10,069
Operating Transfers Out	0	(2,157)	(2,157)	(10,069)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,157</u>	<u>(2,157)</u>	<u>0</u>	<u>0</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(27,602)	(43,739)	(71,371)	(110,746)
FUND BALANCE - BEGINNING	257,818	81,312	343,828	483,674
FUND BALANCE - ENDING	<u>\$ 230,216</u>	<u>\$ 47,573</u>	<u>\$ 277,857</u>	<u>\$ 343,628</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT

PARISHES OF LINCOLN AND UNION, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

YEAR ENDED DECEMBER 31, 2001

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE - FAVORABLE	BUDGET	ACTUAL	VARIANCE - FAVORABLE
			(UNFAVORABLE)			(UNFAVORABLE)
REVENUES						
Fees	\$ 77,000	\$ 73,498	\$ (3,502)	\$ 61,900	\$ 60,187	\$ (1,713)
Grants	172,789	142,336	28,541	140,500	156,350	(17,153)
Interest and Other Assistance	10,000	8,604	(1,396)	4,100	3,729	(471)
Investment Income	200,000	280,254	80,254	13,000	20,088	7,088
Intergovernmental	522,000	412,608	(109,372)	64,700	61,771	(2,979)
Other	1,000	1,000	0	0	0	0
TOTAL REVENUES	903,789	917,306	(18,483)	288,200	281,365	(6,835)
EXPENDITURES						
General Government	602,500	626,362	(23,862)	208,500	201,737	17,171
Capital Outlay	8,000	10,645	(2,645)	500	730	(219)
TOTAL EXPENDITURES	610,500	647,011	(36,711)	209,000	209,467	(5,467)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	293,289	(29,705)	(42,246)	(24,800)	(11,082)	(8,494)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	10,700	2,157	18,543	4,400	0	14,400
Operating Transfers Out	(4,400)	0	4,400	(18,700)	(2,187)	8,588
TOTAL OTHER FINANCING SOURCES (USES)	6,300	2,157	(4,143)	(14,300)	(2,187)	4,182
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	299,589	(27,548)	(48,441)	(14,900)	(10,240)	(2,347)
FUND BALANCE - BEGINNING	230,000	252,815	(22,815)	150,000	91,112	(58,888)
FUND BALANCE - ENDING	429,589	425,267	(4,322)	135,100	47,862	(87,238)

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

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 adviser 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.

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 governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government.

REPORTING ENTITY

For financial reporting purposes, in conformity with GASB Statement No. 14, the District Attorney of the Third Judicial District is a component unit of the Lincoln Parish Police Jury. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

The Third District Narcotics Enforcement Team (TDNET) is a jointly governed organization. TDNET's purpose is to restrict and eliminate illegal sales and consumption of controlled dangerous substances in Lincoln and Union parishes. It operates through an interagency cooperation with various law enforcement agencies in Lincoln and Union parishes and with the District Attorney's Office. TDNET is a component unit, but is not a legally separate organization from the District Attorney's Office. TDNET is blended and reported with the Special Revenue Fund.

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 funds presented in the financial statements are described as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund of the district attorney. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the district attorney as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed asset holdings are accounted for in the general fixed assets account group, and the purchases of fixed assets are recorded as expenditures when acquired. No depreciation has been provided on these general fixed assets. The fixed assets are valued at historical cost. All other fixed assets used in the district attorney's office are provided by the Lincoln Parish Police Jury and are accounted for in the general fixed assets account group of the police jury.

The account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

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 results of operations.

All government funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amount of the transaction can be determined and available means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 90 days was used. Revenues accrued include commissions (collected by another governmental unit and remitted to the District Attorney), other intergovernmental revenue, reimbursement for expenditures from the state, and incentives from the state. Revenues that are not considered susceptible to accrual include certain charges for fees and forfeitures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BUDGETS AND BUDGETARY ACCOUNTING

The District Attorney adopted a budget for all the governmental fund types in accordance with state law and generally accepted accounting principles. The budget was amended once for the year ended December 31, 2001. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

INTERFUND AND INTRA-ENTITY RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds and between entities that are under the same primary government (i.e., Lincoln Parish Police Jury) for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the district attorney's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since its inclusion would make the statements unduly complex and difficult to read.

VACATION AND SICK LEAVE

Employees earn 12 days of vacation and sick leave each year. Vacation and sick leave must be used in the year earned.

TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in those 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.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

Cash includes cash on hand, amounts in demand deposits, interest bearing demand deposits and 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.

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. At December 31, 2001, the carrying amount of deposits was \$360,307 and the bank balance was \$266,077. The bank balance was covered by federal depository insurance and securities pledged by the banks. Some of the pledged securities are in the name of the pledging fiscal agent bank in a custodial basis, rather than in the name of the District Attorney's Office. At December 31, 2001, \$67,360 of the bank balance is considered uncollateralized (Category 3) under the provisions of GASB codification G20.108. There was also a balance of \$7,579 recorded as cash on hand at December 31, 2001, which was uncollateralized.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

Commissions and Fees from -	
City of Ruston	\$ 899
Lincoln Parish Sheriff's Office	8,840
Union Parish Sheriff's Office	3,789
State of Louisiana-Victim Assistance	2,083
Lincoln Parish Police Jury-Salary Transfer	6,882
Title IV-D Reimbursement Grant Monies from the State of LA, DHHR	19,528
Louisiana Commission on Law Enforcement	<u>11,689</u>
TOTAL	\$ 62,609

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2001

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed asset equipment follows:

Balance - January 1, 2001	\$ 432,800
Additions	<u>11,850</u>
Balance - December 31, 2001	<u>\$ 444,650</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2001, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 64,741	\$ 0
Special Revenue Fund - Title M-D	11,000	0
Special Revenue Fund - Worthless Check	0	62,373
Agency Fund - Forfeiture	<u>0</u>	<u>3,537</u>
	<u>\$ 75,741</u>	<u>\$ 65,910</u>

NOTE 6 - DUE FROM CRIMINAL COURT FUND

During 2001, the Criminal Court Fund (an individual fund of the Lincoln Parish Police Jury) had a shortage of cash. The District Attorney's Office (a component unit of the Lincoln Parish Police Jury) paid expenses for the Criminal Court Fund that will be reimbursed by the Criminal Court Fund as funds become available. Due to the relationship to the Criminal Court Fund, this balance was treated as an intra-entity receivable.

NOTE 7 - RENT

The District Attorney's Office leased a building for the use of the multi-jurisdictional agency narcotics task force (i.e., TDNET) for \$1,284 per month until May, 2001.

NOTE 8 - PENSION PLANS

The District Attorney's Office contributes to the District Attorneys' Retirement System and the Parochial Employees Retirement System of Louisiana. The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorneys' Retirement System. All other employees are members of the Parochial Employees Retirement System of Louisiana, if they are permanent employees working at least 28 hours a week.

The Parochial Employees Retirement System (PERS) is a cost-sharing, multiple-employer, defined benefit pension plan which is administered and controlled by a board of trustees. The PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Parochial Employees Retirement System of Louisiana, P.O. Box 14616, Baton Rouge, Louisiana 70806-4616, or by calling (504) 626-1261.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 7 - PENSION PLANS (CONTINUED)

The PERS has a Plan A and a Plan B, the District Attorney's Office participates in Plan A. Plan A members are required to contribute 8.5% of their annual covered salary and the District Attorney's Office is required to contribute at an actuarially determined rate. The rate for 2000, 1999, 1998, 1997, and 1996 was 7.75%, 7.75%, and 7.75%, respectively, of annual covered payroll. The contribution requirements of plan members and the District Attorney's Office are established and may be amended by the Louisiana Legislature. The District Attorney's contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$18,926, \$20,841, and \$20,870, respectively, equal to the required contributions for each year.

The District Attorneys' Retirement System (DARS) is a defined benefit pension plan which provides retirement allowances and other benefits. It is a statewide retirement system which is administered and controlled by a Board of Trustees. The DARS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The DARS issues a publicly available financial report that includes financial statements and required supplementary information for DARS. That report may be obtained by writing to District Attorneys' Retirement System of Louisiana, 2100 Decatur Street, New Orleans, Louisiana 70114, or by calling (504) 647-6521.

Plan members are required to contribute 7% of their annual covered salary and the District Attorney's Office is required to contribute at an actuarially determined rate. The rate for the years ended June 30, 2001, 2000, and 1999 was 0%, 0%, and 0%, respectively, of annual covered payroll. The contribution requirements of plan members and the District Attorney's Office are established and may be amended by the Louisiana Legislature. The District Attorney's contributions to DARS for the years ended December 31, 2001, 2000, and 1999 were \$8, \$0, and \$0, respectively, equal to the required contributions for each year.

NOTE 8 - ON-BEHALF PAYMENTS

Employees of the District Attorney's Office received salaries and fringe benefits from the State of Louisiana, Lincoln Parish Police Jury, and Union Parish Police Jury. The following is a summary of these on-behalf payments:

	2001	2000
General Fund		
Salaries	\$ 382,198	\$ 332,190
Fringe Benefits	70,466	75,478
Total On-Behalf Payments	\$ 452,664	\$ 407,668
 Special Revenue Funds		
Salaries	\$ 20,179	\$ 41,432
Fringe Benefits	8,542	7,882
Total On-Behalf Payments	\$ 28,721	\$ 49,314

Fringe benefits paid by the State of Louisiana, the Lincoln Parish Police Jury, and the Union Parish Police Jury include pension plan contributions to the Parochial Employees Retirement System and the District Attorneys' Retirement System.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 10 - FIDUCIARY FUND

The District Attorney's Office receives funds under the asset forfeiture law, under the bond forfeiture law, and for bail bond license fees for further disbursement. The asset forfeiture funds and the bond forfeiture funds are held until a judgment is rendered on each case instructing the District Attorney's Office on the disbursement of the funds. The bail bond license fees are disbursed to various agencies, including the District Attorney's general fund, as provided by law. The Forfeiture and Fine Fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities are as follows for the year ended December 31, 2001:

	BALANCE JANUARY 1 <u>2001</u>	Additions	Deductions	BALANCE DECEMBER 31 <u>2001</u>
ASSETS				
Cash	\$ 242,185	\$ 61,879	\$ (124,892)	\$ 379,171
Non-Cash Assets Seized	58,828	85,280	0	144,108
TOTAL ASSETS	<u>\$ 301,013</u>	<u>\$ 147,159</u>	<u>\$ (124,892)</u>	<u>\$ 323,280</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Seizures not yet Forfeited	\$ 248,549	\$ 111,884	\$ (25,385)	\$ 335,048
Judgments not yet Disbursed	48,827	41,427	(83,344)	16,910
Due to Other Funds	5,323	3,237	(3,523)	5,037
TOTAL LIABILITIES	<u>298,713</u>	<u>156,548</u>	<u>(112,252)</u>	<u>343,009</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 301,013</u>	<u>\$ 303,707</u>	<u>\$ (112,252)</u>	<u>\$ 343,009</u>

**FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 AND 2000

	2001	2000
ASSETS		
Cash	\$ 22,943	\$ 88,507
Certificates of Deposit	86,048	87,888
Interest Receivable	757	0
Due from Other Governmental Units—		
Commissions on Fees	32,880	4,511
Grants - Louisiana Commission on Law Enforcement	11,890	3,408
Due from Criminal Court Fund	128,704	73,043
Due from Others	1,600	0
Due from Other Funds	54,741	34,363
TOTAL ASSETS	\$ 308,683	\$ 294,699
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 34,862	\$ 683
Accrued Liabilities	48,727	41,161
TOTAL LIABILITIES	83,589	41,844
FUND BALANCE		
Unreserved and Unassigned	224,094	252,855
TOTAL LIABILITIES AND FUND BALANCE	\$ 308,683	\$ 294,699

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
REVENUES				
Fees	\$ 77,000	\$ 73,456	\$ (3,544)	\$ 62,882
Grants and Other Assistance	112,789	142,339	29,541	129,612
Interest Income	19,000	6,604	(3,396)	6,818
Intergovernmental	200,000	262,254	62,254	277,213
On-Behalf Revenues	532,000	412,688	(119,312)	358,584
Other Income	1,000	0	(1,000)	218
TOTAL REVENUES	922,789	897,332	(25,457)	895,422
EXPENDITURES				
Capital Outlay	8,000	10,948	(2,948)	50,322
Auto Expense	8,000	4,307	3,693	8,732
Contract Services	0	20,808	(20,808)	0
Dues and Subscriptions	3,000	2,055	924	2,400
Employee Benefits	32,000	18,329	15,671	17,265
Insurance	74,000	182,275	(20,275)	80,557
Law Library	10,000	0	10,000	601
Lincoln Parish Task Force	0	3,713	(3,713)	0
Lincoln Parish Police Jury	0	2,800	(2,800)	0
Office Expenses	20,800	24,827	(4,027)	21,728
Other	20,000	7,589	12,411	8,515
Payroll Taxes	10,500	8,084	2,416	9,348
Professional Fees	21,000	23,178	(2,178)	33,003
Rent	0	2,426	(2,426)	1,451
Repairs and Maintenance	3,000	783	2,217	3,591
Salaries	650,000	658,438	(18,438)	644,590
Telephone	17,600	4,032	13,568	8,840
Training and Seminars	3,500	5,055	(1,555)	3,135
Travel and Meals	23,000	28,651	(7,651)	25,899
TOTAL EXPENDITURES	978,820	967,311	(28,789)	928,825
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,269	(29,979)	(42,248)	(73,478)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	10,750	2,157	(8,593)	11,688
Operating Transfers Out	(4,650)	0	4,650	(5,122)
TOTAL OTHER FINANCING SOURCES (USES)	6,100	2,157	(4,183)	6,566
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,619	(27,822)	(46,441)	(87,771)
FUND BALANCE - BEGINNING	210,000	252,815	42,815	220,967
FUND BALANCE - ENDING	\$ 228,619	\$ 224,993	\$ (3,626)	\$ 232,811

SPECIAL REVENUE FUNDS

Title IV-D Fund

To account for the receipt and expenditure of reimbursement grants from the Louisiana Department of Health and Human Resources, authorized by Act 117 of 1973, 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.

Worthless Check Fund

To account for the receipt and use of the proceeds from fees collected in accordance with Louisiana Revised Statute 18:15, which provides that the District Attorney receives, from the principal to the offense, a prescribed amount upon collection of a worthless check. The fund may be used only 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.

Third District Narcotics Enforcement Team (TDNET)

To account for the receipt and use of monies from various governmental and law enforcement agencies, grants, and forfeitures in the restriction and elimination of illegal sales and consumption of controlled dangerous substances in Lincoln and Union Parishes. The TDNET operates through an interagency cooperation with the Ruston Police Department, the Union Parish Sheriff's Department, the Lincoln Parish Sheriff's Department, and the District Attorney's Office. The TDNET is not legally separate from the District Attorney's Office.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001
WITH COMPARATIVE TOTALS FOR
DECEMBER 31, 2000

	TITLE	WORTHLESS		TOTALS	
	RE-D.	CHECK	TDMET	2001	2000
ASSETS					
Cash	\$ 28,340	\$ 318	\$ 0	\$ 30,660	\$ 30,360
Certificate of Deposit	0	53,142	0	53,142	53,997
Due from Other Funds	11,169	0	0	11,169	25,902
Due from Other					
Governmental Units -					
Louisiana Commission on					
Law Enforcement	0	0	0	0	4,650
State of Louisiana -					
DHHR Grant	18,539	0	0	18,539	31,124
TOTAL ASSETS	\$ 57,048	\$ 53,460	\$ 0	\$ 110,512	\$ 147,971
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,588
Due to Merchants	0	270	0	270	119
Due to Other Funds	0	82,923	0	82,923	54,123
TOTAL LIABILITIES	0	82,993	0	82,993	58,830
FUND EQUITY					
Fund Balances -					
Unreserved and					
Undesignated	57,048	(30,183)	0	26,865	89,141
TOTAL LIABILITIES AND FUND EQUITY	\$ 57,048	\$ 53,460	\$ 0	\$ 110,512	\$ 147,971

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2000

	TITLE	WORTHLESS	TOTALS		
			2001	2000	
	IN-D	CHECK	TOTAL		
REVENUES					
Fees	\$ 0	\$ 50,167	\$ 0	\$ 50,167	\$ 44,637
Grant	35,350	0	0	35,350	179,430
Interest Income	489	3,276	0	3,765	5,488
Intra-governmental	0	0	20,368	20,368	3,488
On-behalf Revenue	15,028	19,227	566	31,721	49,294
TOTAL REVENUES	51,727	69,669	20,934	241,261	262,336
EXPENDITURES					
Capital Outlay	0	0	710	710	1,665
Confidential Advances	0	0	955	955	19,124
Employee Benefits	6,377	5,010	0	11,387	11,361
Insurance	18,674	11,811	1,643	30,128	28,630
Investigation Supplies	0	0	461	461	2,125
Office Expense	258	0	2,166	2,324	5,445
Other	0	0	494	494	368
Payroll Taxes	1,689	1,210	510	3,409	3,710
Professional Fees	1,449	0	0	1,449	2,569
Rent	0	0	3,852	3,852	15,408
Repairs & Maintenance	0	0	0	0	518
Salaries	22,284	77,359	17,167	217,130	221,168
Telephone	1,688	0	4,054	5,742	10,869
Training and Seminars	505	0	0	505	860
Travel	3,832	0	29	3,861	4,712
TOTAL EXPENDITURES	55,932	66,289	32,041	282,447	329,603
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,276)	(26,716)	(11,107)	(41,090)	(46,268)
OTHER FINANCING USES					
Operating Transfers	0	0	(2,157)	(2,157)	(2,707)
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER USES	(3,276)	(26,716)	(13,264)	(43,246)	(51,975)
FUND BALANCE - BEGINNING	60,304	12,534	13,264	81,112	149,067
FUND BALANCE (DEFICIT) - ENDING	\$ 57,028	\$ (8,182)	\$ 0	\$ 47,832	\$ 81,112

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TITLE 8-D FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
REVENUES				
Grant	\$ 142,500	\$ 135,350	\$ (7,150)	\$ 132,404
Interest Income	590	459	(131)	322
On-Behalf Revenue	10,500	15,800	5,400	15,700
TOTAL REVENUES	<u>153,590</u>	<u>151,709</u>	<u>(1,879)</u>	<u>148,586</u>
EXPENDITURES				
Employee Benefits	5,000	5,277	(277)	6,200
Insurance	11,000	10,674	(326)	12,200
Office Expense	1,000	206	794	1,750
Other	200	0	200	0
Payroll Taxes	1,200	1,280	(80)	1,800
Professional Fees	1,200	1,440	(240)	2,550
Salaries	116,000	102,584	(13,416)	108,000
Telephone	1,000	1,056	(56)	1,500
Training and Seminars	0	505	(505)	0
Travel	4,100	3,830	270	4,712
TOTAL EXPENDITURES	<u>142,000</u>	<u>130,002</u>	<u>(12,002)</u>	<u>140,200</u>
DEFICIENCY OF REVENUES (UNDER) EXPENDITURES	10,590	(8,278)	14,009	8,284
OTHER FINANCING USES				
Operating Transfers Out	(10,250)	0	(10,250)	(11,850)
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER USES	0	(8,278)	(8,278)	(6,607)
FUND BALANCE-BEGINNING	20,000	60,324	(40,324)	66,931
FUND BALANCE-ENDING	<u>\$ 20,000</u>	<u>\$ 52,046</u>	<u>\$ (7,954)</u>	<u>\$ 60,324</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - WORTHLESS CHECK FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
REVENUES				
Fees	\$ 51,000	\$ 50,167	\$ (833)	\$ 44,637
Interest Income	3,600	3,279	(321)	5,180
On-Behalf Revenue	44,200	15,232	(28,968)	32,886
TOTAL REVENUES	<u>98,800</u>	<u>68,678</u>	<u>(30,122)</u>	<u>82,703</u>
EXPENDITURES				
Employee Benefits	5,000	5,019	(19)	5,068
Insurance	12,000	11,811	189	11,732
Payroll Taxes	1,200	1,219	(19)	1,263
Salaries	80,000	77,269	2,731	86,562
TOTAL EXPENDITURES	<u>98,200</u>	<u>95,319</u>	<u>2,881</u>	<u>104,635</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,400)	(26,714)	(22,314)	(23,608)
OTHER FINANCING SOURCES				
Operating Transfers In	4,400	0	(4,400)	0
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	0	(26,714)	(26,714)	(23,608)
FUND BALANCE-BEGINNING	<u>50,500</u>	<u>17,524</u>	<u>(32,976)</u>	<u>41,500</u>
FUND BALANCE (DEFICIT)-ENDING	<u>\$ 50,500</u>	<u>\$ (9,191)</u>	<u>\$ (59,191)</u>	<u>\$ 17,524</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TDNET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 2000

	2001		Variance Favorable (Unfavorable)	2000
	Budget	Actual		Actual
REVENUES				
Grant	\$ 0	\$ 0	\$ 0	\$ 46,800
Intergovernmental	13,000	20,368	7,368	3,489
On-Behalf Revenue	0	588	588	830
TOTAL REVENUES	<u>13,000</u>	<u>20,956</u>	<u>7,954</u>	<u>51,119</u>
EXPENDITURES				
Capital Outlay	500	710	(210)	1,899
Confidential Assistance	4,000	955	3,045	18,134
Insurance	1,000	1,643	(643)	1,880
Investigation Supplies	200	401	(201)	2,125
Office Expense	1,700	2,166	(466)	3,683
Other	300	494	(194)	358
Payroll Taxes	600	519	280	785
Rent	79,498	7,952	11,546	16,408
Repairs and Maintenance	100	0	100	515
Salaries	24,000	17,197	6,803	24,000
Telephone	6,000	4,654	1,346	9,170
Travel	0	39	(39)	0
TOTAL EXPENDITURES	<u>94,998</u>	<u>32,541</u>	<u>21,967</u>	<u>78,635</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(41,998)	(11,107)	29,901	(27,966)
OTHER FINANCING SOURCES				
Operating Transfers In	0	0	0	6,191
Operating Transfers Out	0	(2,157)	(2,157)	0
TOTAL OTHER FINANCING SOURCES (USES)	0	(2,157)	(2,157)	6,191
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(41,998)	(13,264)	27,744	(21,765)
FUND BALANCE-BEGINNING	<u>30,000</u>	<u>13,264</u>	<u>(16,786)</u>	<u>34,899</u>
FUND BALANCE (DEFICIT) ENDING	<u>(11,998)</u>	<u>\$ 0</u>	<u>\$ 11,000</u>	<u>\$ 13,264</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all fixed assets owned by the District Attorney's Office.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
GENERAL FIXED ASSETS		
Equipment	\$ 432,519	\$ 430,866
TOTAL GENERAL FIXED ASSETS	<u>\$ 432,519</u>	<u>\$ 430,866</u>
 INVESTMENTS IN GENERAL FIXED ASSETS		
Property Acquired from—		
Contributions from Other Governmental Units	\$ 61,106	\$ 61,106
Special Revenue Funds	121,433	120,723
General Fund	248,581	239,032
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 432,519</u>	<u>\$ 420,861</u>

OTHER REPORTS AND SCHEDULES

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1388
888 North Terrell
Baton Rouge, Louisiana 70813-1388

**INDEPENDENT AUDITOR'S 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 Robert W. Levy
District Attorney of the Third Judicial District
P.O. Box 777
Baton Rouge, Louisiana 70813

I have audited the general purpose financial statements of the District Attorney, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2001, and have issued my report thereon dated June 30, 2002. 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 part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, I 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 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. However, I noted certain insubstantial instances of noncompliance that I have reported to management in a separate letter dated June 30, 2002.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney'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 certain matters involving the internal control over financial reporting and its operation that I consider to be a 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 judgement, 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. This reportable condition is described in the accompanying schedule of findings and questioned costs as item #2001-1.

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. My consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider the reportable condition described above to be a material weakness.

This report is intended solely for the information of the District Attorney's Office, the Office of Family Security for the Provisions of Child Support Services, the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and the Legislative Auditor of Louisiana 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.



Don M. McJannet
Certified Public Accountant
June 30, 2002

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 2001, and have issued my report thereon dated June 28, 2002. 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. My audit of the financial statements as of December 31, 2001 resulted in an unqualified opinion. I also noted certain immaterial instances of noncompliance that I have reported to the management of the District Attorney's Office in a separate management letter.

Section 1 Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

Section 2 Financial Statement Findings

Finding 2001-1, Separation of Duties. The District Attorney's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

DON M. MOSEHEE
CPA, Professional Accounting Corporation
P. O. Box 1944
800 South Treason
Ruston, Louisiana 71279-1944

MANAGEMENT LETTER

June 30, 2002

Honorable Robert W. Levy
District Attorney of the Third Judicial District
P. O. Box 777
Ruston, Louisiana 71279

I have audited the general purpose financial statements of the District Attorney of the Third Judicial District as of and for the year ended December 31, 2001 and have issued my report thereon dated June 30, 2002. 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.

As a part of my examination, I have issued my report on the financial statements dated June 30, 2002, and my report on internal control and compliance with laws, regulations, and contracts, dated June 30, 2002.

During the course of my examination, I became aware of the following matters which represent material deviations of compliance or suggestions for improved internal controls.

Suggestion 2001-1. Budget Variances. In 2001, the District Attorney's actual beginning fund balance for its special revenue fund was 39.26% less than the amount budgeted and the fund balance was used for fund expenditures for 2001. State law requires that the budget be amended if the actual beginning fund balance, within a fund, falls to more estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures. The adjusted year end fund balances were not compared to budgeted amounts to determine if any budget amendments were needed. I recommend the financial administrator compare adjusted year end fund balances to amounts budgeted to determine if budget amendments are needed and notify the District Attorney of any needed amendments.

The District Attorney's special revenue fund actual revenues were less than budgeted amounts by 19.57%. State law requires that the budget be amended if actual revenues fall to more estimated revenues by more than 5%. This variance was due to on-behalf revenue being over estimated in the budget. I recommend the financial administrator determine the amount of on-behalf revenue prior to year end and compare to budget amounts. If on-behalf revenue is less than 5% of budgeted amounts, the District Attorney should be notified that budget amendments are needed.

Suggestion 2001-2. Budget Publication. The District Attorney's Office made their budget available for public inspection, however they did not publish the required notice or hold a public hearing. State law requires that the public have an opportunity to participate in the budgetary process prior to adoption of the budget, if total proposed expenditures are \$250,000 or more from the general fund and any special revenue funds. The opportunity for public participation is given by publishing a notice stating that the proposed budget is available for public inspection and that a public

PAGE TWO

hearing will be held with the date, time and place specified. I recommend that the financial administrator publish a notice, as described above, for the proposed 2003 budget and that a public hearing be held prior to adoption of the proposed 2003 budget.

I recommend management address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain the suggestions or help implement the recommendations.

Sincerely,



Don H. McGhee

Qualified Public Accountant

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2001**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS

2000-1. Separation of Duties. The District Attorney's Office has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

RESPONSE

Unresolved. See Finding 2001-1.

SECTION 2 MANAGEMENT LETTER

SUGGESTIONS

2000-1. Budget Variances. Recommended the financial administrator monitor variances between the budget and actual amounts to notify the District Attorney when budget amendments appear to be needed.

RESPONSE

Unresolved. See Suggestion 2001-1.

2000-2. Budget Publication. Recommended the financial administrator publish a notice for a public hearing on the proposed budget to allow public participation in the budget process.

Unresolved. See Suggestion 2001-2.

2000-3. Lack of Documentation of Hours Worked by Salaried Employees. Recommended establishing a policy with the number of hours each employee is expected to work each pay period and require records to be submitted to document the hours worked.

Partially resolved. This policy has been adopted for all employees, except assistant district attorneys. Robert Levy, the District Attorney is still trying to determine how to implement such a policy in a fair and accurate manner for assistant district attorneys.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2001**

SECTION 1: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

FINDINGS

2001-1. Separation of Duties. Two few personnel involved in the accounting system to have adequate separation of duties for internal control.

RESPONSE

It would not be cost-effective to hire additional personnel to provide adequate separation of duties for internal control for this size workload.

SECTION 2: MANAGEMENT LETTER

SUGGESTIONS

2001-1. Budget Variances. The special revenue fund had two areas with unfavorable variances between actual amounts and budget amounts that were in excess of 5%. These areas were revenues and fund balance. According to state law, budget amendments should be adopted if an unfavorable variance of 5% or more is indicated. These unfavorable budget variances were not identified prior to year end and budget amendments were not adopted as needed. I recommend the financial administrator compare actual amounts to budget amounts prior to year end and notify the district attorney if budget amendments are needed.

RESPONSE

The financial administrator, Carol Cooper, will begin comparing actual amounts to budget amounts prior to December 31, 2002. She will notify the District Attorney, Robert Levy, if she believes an unfavorable variance of 5% or more is indicated. Then the district attorney will adopt budget amendments as needed.

2001-2. Budget Publication. The notice allowing public participation in the budgetary process was not published. State law requires that the public should have an opportunity to participate in the budgetary process if total expenditures are \$250,000 or more. The budget was made available for public inspection, but the public notice was not published. I recommend the financial administrator publish the required notice for the next budget prepared.

The financial administrator, Carol Cooper, will publish a notice stating that the budget is available for public inspection and that a public hearing will be held with the date, time and place specified for the 2003 budget.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT EFFECTIVE DATE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL AWARDS EXPENDED
U.S. Department of Health & Human Services:					
Passed Through					
Louisiana Department of Social Services-					
Office of Family Support for the Provision					
of Child Support Enforcement Services					
Child Support Enforcement Title IV-D	Before 7-1-01	13.350	305-100054	142,500	\$ 68,431
	After 8-30-01		305-207029	142,500	<u>68,872</u>
					138,303
Total Department of Health & Human Services					
U.S. Department of Justice:					
Passed Through					
Louisiana Commission on Law Enforcement and					
Administration of Criminal Justice					
Combination Prosecution	Before 12-1-01	16.580	900-1-005	37,700	34,640
	After 11-30-01		900-1-006	11,900	<u>2,820</u>
					46,737
Develop Accountability Based Sanctions	Before 2-1-01	16.520	A00-0-000	30,012	30,012
	2-1-01 to 9-30-01		A00-0-000	78,740	<u>8,823</u>
	After 9-30-01		A00-0-000		<u>86,232</u>
Total Department of Justice					<u>\$ 230,522</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 230,522