

**DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2002**

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
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DECEMBER 31, 2002

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GENERAL PURPOSE FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Honorable William R. Jones
District Attorney of the Thirty-Ninth Judicial District
Coushatta, LA 71019

We have audited the accompanying general purpose financial statements of the District Attorney of the Thirty-Ninth Judicial District, Coushatta, Louisiana, a component unit of the Red River Parish Police Jury, Louisiana, as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the District Attorney of the Thirty-Ninth Judicial District and his management. Our responsibility is to express an opinion 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 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Thirty-Ninth Judicial District, Coushatta, Louisiana, as of December 31, 2002, and the results of his operations 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 a report dated May 16, 2003 on our consideration of the District Attorney of the Thirty-Ninth Judicial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That 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 our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the District Attorney of the Thirty-Ninth Judicial District, Coushatta, Louisiana, taken as a whole. The accompanying supplementary information 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. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the year ended December 31, 2001, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated May 23, 2002, on the general purpose financial statements of the District Attorney of the Thirty-Ninth Judicial District.

Hines, Jackson & Hines
Natchitoches, Louisiana
May 16, 2003

COMBINED STATEMENTS - OVERVIEW

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
DECEMBER 31, 2002 AND 2001

	<u>Governmental Fund Types</u>		<u>Fiduciary</u>	<u>Account Group</u>	<u>Total</u>	
	<u>General</u>	<u>Special Revenues</u>	<u>Agency Fund</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>	
					<u>2002</u>	<u>2001</u>
ASSETS						
Cash and cash equivalents	\$ 84,238	\$ 92,710	\$ 0	\$ 0	\$ 176,948	\$ 170,161
Investments	67,459	0	0	0	67,459	65,291
Receivables	8,237	9,684	0	0	17,921	14,407
Due from other governments	0	0	0	0	0	1,171
Prepaid expenditures	3,557	1,279	0	0	4,836	4,655
Automobile and equipment	0	0	0	105,627	105,627	106,335
Total Assets	<u>\$ 163,491</u>	<u>\$ 103,673</u>	<u>\$ 0</u>	<u>\$ 105,627</u>	<u>\$ 372,791</u>	<u>\$ 362,020</u>
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$ 3,177	\$ 206	\$ 0	\$ 0	\$ 3,383	\$ 2,688
Due law enforcement agencies and others	0	0	0	0	0	1,171
Total Liabilities	3,177	206	0	0	3,383	3,859
Fund equity						
Investment in General Fixed Assets	0	0	0	105,627	105,627	106,335
Fund balances						
Unreserved	160,314	103,467	0	0	263,781	251,826
Total Fund Equity	160,314	103,467	0	105,627	369,408	358,161
Total Liabilities and Fund Equity	<u>\$ 163,491</u>	<u>\$ 103,623</u>	<u>\$ 0</u>	<u>\$ 105,627</u>	<u>\$ 372,791</u>	<u>\$ 362,020</u>

The accompanying notes are an integral part of this statement.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Governmental Fund Types</u>		<u>Total</u> <u>(Memorandum Only)</u>	
	<u>General</u>	<u>Special</u> <u>Revenues</u>	<u>2002</u>	<u>2001</u>
REVENUES				
Fees, charges, and commissions for services	\$ 79,030	\$ 8,445	\$ 87,475	\$ 69,667
Intergovernmental	0	58,553	58,553	63,011
Interest revenue	2,721	1,126	3,847	6,739
Other	5,259	0	5,259	624
Total Revenues	<u>87,010</u>	<u>68,124</u>	<u>155,134</u>	<u>140,041</u>
EXPENDITURES				
General government				
Personal services	0	30,000	30,000	20,000
Operating services	18,981	9,580	28,561	23,836
Materials and supplies	8,268	1,641	9,909	7,320
Travel and other charges	33	1,839	1,872	7,602
Capital outlay	23,340	0	23,340	1,223
Red river parish police jury	<u>25,497</u>	<u>24,000</u>	<u>49,497</u>	<u>51,936</u>
Total Expenditures	<u>76,119</u>	<u>67,060</u>	<u>143,179</u>	<u>111,917</u>
Excess of Revenues Over/(Under) Expenditures	10,891	1,064	11,955	28,124
Other Financing Sources/(Uses)				
Operating transfers in/(out)	<u>1,279</u>	<u>(1,279)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources/(Uses)	<u>1,279</u>	<u>(1,279)</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Source Over/(Under) Expenditures and Other Uses	12,170	(215)	11,955	28,124
Fund Balances - Unreserved, Beginning of year	<u>148,144</u>	<u>103,682</u>	<u>251,826</u>	<u>223,702</u>
Fund Balances - Unreserved, End of year	<u>\$ 160,314</u>	<u>\$ 103,467</u>	<u>\$ 263,781</u>	<u>\$ 251,826</u>

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	General Fund		
	Budget	Actual	Variance Fav./(Unfav.)
REVENUES			
Fees, charges and commissions for services	\$ 80,000	\$ 79,030	\$ (970)
Intergovernmental	0	0	0
Interest	2,500	2,721	221
Other	5,000	5,259	259
Total Revenues	<u>87,500</u>	<u>87,010</u>	<u>(490)</u>
EXPENDITURES			
General government			
Personal services	0	0	0
Operating services	18,000	18,981	(981)
Materials and supplies	10,000	8,268	1,732
Travel and other charges	0	33	(33)
Capital outlay	24,000	23,340	660
Red river parish police jury	25,000	25,497	(497)
Total Expenditures	<u>77,000</u>	<u>76,119</u>	<u>881</u>
Excess of revenues over/(under) expenditures	10,500	10,891	391
Other Financing Sources/(Uses)			
Operating transfers in/(out)	1,000	1,279	279
Total Other Financing Sources/(Uses)	<u>1,000</u>	<u>1,279</u>	<u>279</u>
Excess of Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	11,500	12,170	670
Fund Balances - Unreserved, Beginning of year	<u>148,144</u>	<u>148,144</u>	<u>0</u>
Fund Balances - Unreserved, End of year	<u>\$ 159,644</u>	<u>\$ 160,314</u>	<u>\$ 670</u>

EXHIBIT C

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./((Unfav.)</u>
\$ 9,000	\$ 8,445	\$ (555)
60,000	58,553	(1,447)
1,000	1,126	126
<u>0</u>	<u>0</u>	<u>0</u>
70,000	68,124	(1,876)
30,000	30,000	0
10,000	9,580	420
1,500	1,641	(141)
1,750	1,839	(89)
0	0	0
<u>24,000</u>	<u>24,000</u>	<u>0</u>
<u>67,250</u>	<u>67,060</u>	<u>190</u>
2,750	1,064	(1,686)
<u>(1,000)</u>	<u>(1,279)</u>	<u>(279)</u>
<u>(1,000)</u>	<u>(1,279)</u>	<u>(279)</u>
1,750	(215)	(1,965)
<u>103,682</u>	<u>103,682</u>	<u>0</u>
<u>\$ 105,432</u>	<u>\$ 103,467</u>	<u>\$ (1,965)</u>

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting policies of the District Attorney of the Thirty-Ninth Judicial District of Red River Parish conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial principles. Such accounting and reporting procedures also conform to the requirements set forth in the Louisiana Governmental Audit Guide and to Louisiana Revised Statutes 24:513 and 24:517, and to the industry audit guide, Audits of State and Local Governmental Units.

A. Financial Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the District Attorney of the Thirty-Ninth Judicial District is a part of the district court system of the State of Louisiana. However, the state statutes that create the District Attorneys also give the District Attorneys control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The District Attorney is financially independent and operates autonomously from the State of Louisiana and independently from the district court system.

As the governing authority of the parish, for reporting purposes, the Red River Parish Police Jury is the financial reporting entity for Red River 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 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.

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

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

The District Attorney of the Thirty-Ninth Judicial District is financially dependent on the police jury and has the ability to impose specific financial burdens on the police jury. In addition, the reporting entity financial statements would be misleading if data of the District Attorney is not included because of the nature and significance of the relationship. For these reasons, the District Attorney was determined to be a component unit of the Red River 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 governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting

The accounts of the District Attorney are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The funds are grouped in this report into generic fund types and broad fund categories as follows:

Governmental Funds

General Fund - The general operating fund of the District Attorney is used to account for all financial resources that are not required to be accounted for in another fund. It was established in compliance with Louisiana Revised Statute 15:571.11 as amended, which provides that twelve percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

Special Revenue - The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or other major capital projects) that are legally restricted to expenditures for specific purposes. The special revenue funds of the District Attorney of the Thirty-Ninth Judicial District consist of the following:

Title IV-D Fund - consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Worthless Checks Collection Fee Fund - consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives, from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

Fiduciary Fund

Agency Fund - funds used to account for assets held by the government as an agent for individuals, private organizations, other governments and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds of the District Attorney of the Thirty-Ninth Judicial District consist of the following:

Asset Forfeiture Fund - is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

Bond Forfeiture Fund - is used as a depository for bonds forfeited to rural District Attorney offices. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

Account Groups - An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

General Fixed Assets - This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

C. General Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. All fixed assets are valued at cost.

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

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

The governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. Commissions on fines and bond forfeitures and court costs are recorded in the year they are collected by the tax collector. Grants are recorded when the District Attorney is entitled to the funds. Fees on worthless checks are recorded in the year in which the worthless check is paid. Interest income is accrued, when its receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

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

E. Budget Practice

The District Attorney adopts a budget prior to January 1 of each year for the General Fund and the Special Revenue Funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The District Attorney is not required to publish the budget, but the budget must be adopted and available for public inspection. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. All budget appropriations lapse at year end.

F. Vacation and Sick Leave

Full-time employees of the District Attorney's office earn ten days vacation leave and ten days sick leave each year. Leave cannot be accumulated from one calendar year to the next, and there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

G. Cash and Cash Equivalents

Consistent with GASB Statement 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting", the District Attorney defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Investments

Investments, which consist of certificates of deposit, are stated at lower of cost or market. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

I. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

J. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds 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. Short-term interfund loans are classified as "interfund receivables/payables" and are recorded by all funds affected in the period in which transactions are executed.

K. Prepaid items

Payments made for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items.

L. Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

M. Comparative Data

Comparative total data for the prior year have 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 have not been prepared in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

N. Total Columns on Combined Statements - Overview

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Certain amounts from prior year financial statements have been reclassified to conform with current classifications.

O. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District Attorney.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Estimates

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

NOTE 2 CASH AND CASH EQUIVALENTS

Louisiana Revised Statutes authorize the District Attorney to invest in United States bonds, treasury notes or certificates, or to 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 are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

At December 31, 2002, the District Attorney had cash and cash equivalents totaling \$176,948, as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	<u>Total</u>
Demand deposit	\$ 6,044	\$ 11,621	\$ 0	\$ 17,665
Interest bearing demand deposits	<u>78,194</u>	<u>81,089</u>	<u>0</u>	<u>159,283</u>
Totals	<u>\$ 84,238</u>	<u>\$ 92,710</u>	<u>\$ 0</u>	<u>\$ 176,948</u>

Under state law, these deposits 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 bank. 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, 2002, the District Attorney had \$245,359 in bank deposits. These deposits were secured from risk by \$235,849 of federal deposit insurance and \$233,740 (market value) of pledged securities held by the custodial banks in the name of the fiscal agent (GASB Category 3).

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

NOTE 3 INVESTMENTS

The District Attorney maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the District Attorney may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the District Attorney as of December 31, 2002 are summarized below by the category of risk.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 3 INVESTMENTS (CONTINUED)

- Category 1 Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.
- Category 2 Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3 Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

Type of Investments	Category Risk			Reported Amount	Fair Value
	1	2	3		
Certificates of deposit	\$ 67,459	\$ 0	\$ 0	\$ 67,459	\$ 67,459
Total	<u>\$ 67,459</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 67,459</u>	<u>\$ 67,459</u>

NOTE 4 RECEIVABLES

At December 31, 2002, the District Attorney had receivables totaling \$17,921, as follows:

	General Fund	Special Revenue	Total
Commissions - Fines, forfeitures, and court costs	\$ 8,149	\$ 0	\$ 8,149
Interest receivable	88	0	88
Federal grant - Title IV-D reimbursement	<u>0</u>	<u>9,684</u>	<u>9,684</u>
Total	<u>\$ 8,237</u>	<u>\$ 9,684</u>	<u>\$ 17,921</u>

NOTE 5 CHANGE IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, 2001	Additions	Deletions	Balance December 31, 2002
Automobile	\$ 24,048	\$ 23,340	\$ 24,048	\$ 23,340
Equipment	<u>82,287</u>	<u>0</u>	<u>0</u>	<u>82,287</u>
Total	<u>\$ 106,335</u>	<u>\$ 23,340</u>	<u>\$ 24,048</u>	<u>\$ 105,627</u>

NOTE 6 PENSION PLANS

The District Attorney participates in two cost-sharing, multiple-employer, public employee retirement systems (PERS). The District Attorney and Assistant District Attorney are members of the District Attorneys' Retirement System. Secretaries of the District Attorney's office are members of the Parochial Employees Retirement System of Louisiana,

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 6 PENSION PLANS (CONTINUED)

Plan A. These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

Each system provides for employer and employee contributions based on a percentage of gross earnings as follows:

	<u>Employer</u>	<u>Employee</u>
Parochial Employees' Retirement System	7.75%	9.50%
District Attorneys' Retirement System	0.00%	7.00%

A. District Attorneys' Retirement System

Generally, all persons who are District Attorneys of the State of Louisiana, Assistant District Attorneys in any parish of the State of Louisiana, or employed by the retirement system or the Louisiana District Attorneys' Association, are eligible to participate in this system.

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 percent 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 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average compensation multiplied by the number of years of his membership service, not to exceed 100 percent 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 per cent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of final compensation.

The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include .2 percent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The .2 percent is the statutory set rate that can be adjusted by the Public Retirement Systems' Actuarial Committee. State statute requires covered employees to contribute a percentage of their salaries to the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana, 70802-8143, or by calling (504) 267-4824.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 6 PENSION PLANS (CONTINUED)

B. Parochial Employees' Retirement System

Substantially all employees of the District Attorney of the Thirty-Ninth Judicial District are members of the Parochial Employees' Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and 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 members participate in 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 percent 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 one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. 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 by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-471619, or by calling (504) 928-1361.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

Effective January 1, 2000, the District Attorney of the Thirty-Ninth Judicial District began providing certain continuing health care benefits for its retired employees. Substantially all of the District Attorney's employees become eligible for these benefits if they reach normal retirement age while working for the District Attorney's office. The cost of retiree benefits for the year ended December 31, 2002 totaled \$5,097 for 1 retiree.

NOTE 8 LEASES

The District Attorney of the Thirty-Ninth Judicial District was not obligated under any capital or operating leases at December 31, 2002.

NOTE 9 LITIGATION

The District Attorney of the Thirty-Ninth Judicial District was not involved in any litigation at December 31, 2002.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002

NOTE 10 EXPENDITURES NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court, the parish police jury, or directly by the state.

NOTE 11 FEDERAL FINANCIAL ASSISTANCE PROGRAM

The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 13.783. This program is funded by indirect assistance payments, in the form of reimbursement requests to the Department of Social Services.

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

NOTE 12 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 to the District.

SUPPLEMENTAL INFORMATION SCHEDULES

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The special revenue funds are used to account for the following specific resources:

Title IV-D Fund - To account for the receipt and expenditure of reimbursement grants from the Louisiana Department of Social Services, a pass-through agency for the Federal Department of Health and Human Services. Reimbursement grants are authorized by Act 117 of 1975 to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of reimbursement grants 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 Checks Collection - Fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receive, from the principal to the offense, a prescribed amount upon collection of a worthless check. These funds may be used to defray the salaries and expenses of the District Attorney's office.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2002

	Title IV-D	Worthless Check Collection Fee	Total
Assets			
Cash and cash equivalents	\$ 81,089	\$ 11,621	\$ 92,710
Receivables	9,684	0	9,684
Prepaid expenditures	1,279	0	1,279
 Total Assets	 \$ 92,052	 \$ 11,621	 \$ 103,673
 Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 143	\$ 63	\$ 206
Total Liabilities	143	63	206
 Fund balances			
Unreserved	91,909	11,558	103,467
Total Fund Balance	91,909	11,558	103,467
 Total Liabilities and Fund Balances	 \$ 92,052	 \$ 11,621	 \$ 103,673

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2002

	<u>IV-D</u>	<u>Worthless Checks Collection Fee</u>	<u>Total</u>
Revenues			
Fees, charges and commissions for services	\$ 0	\$ 8,445	\$ 8,445
Intergovernmental	58,553	0	58,553
Interest revenue	<u>1,126</u>	<u>0</u>	<u>1,126</u>
Total Revenues	59,679	8,445	68,124
Expenditures			
General government			
Personal services	18,000	12,000	30,000
Operating services	8,794	786	9,580
Materials and supplies	1,191	450	1,641
Travel and other charges	1,639	200	1,839
Capital outlay	0	0	0
Red River Parish Police Jury	<u>24,000</u>	<u>0</u>	<u>24,000</u>
Total Expenditures	<u>53,624</u>	<u>13,436</u>	<u>67,060</u>
Excess of Revenues Over/(Under) Expenditures	6,055	(4,991)	1,064
Other Financing Sources/(Uses)			
Operating transfers in/(out)	<u>(1,279)</u>	<u>0</u>	<u>(1,279)</u>
Total Other Financing Sources/(Uses)	<u>(1,279)</u>	<u>0</u>	<u>(1,279)</u>
Excess of Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	4,776	(4,991)	(215)
Fund Balances, Beginning of year	<u>87,133</u>	<u>16,549</u>	<u>103,682</u>
Fund Balances, End of year	<u>\$ 91,909</u>	<u>\$ 11,558</u>	<u>\$ 103,467</u>

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - TITLE IV-D
YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./ (Unfav.)</u>
Revenues			
Intergovernmental	\$ 60,000	\$ 58,553	\$ (1,447)
Interest revenue	<u>1,000</u>	<u>1,126</u>	<u>126</u>
Total revenues	61,000	59,679	(1,321)
Expenditures			
General government			
Personal services	18,000	18,000	0
Operating services	9,000	8,794	206
Materials and supplies	1,000	1,191	(191)
Travel and other charges	1,500	1,639	(139)
Red River Parish Police Jury	<u>24,000</u>	<u>24,000</u>	<u>0</u>
Total expenditures	<u>53,500</u>	<u>53,624</u>	<u>(124)</u>
Excess of Revenues Over/(Under) Expenditures	7,500	6,055	(1,445)
Other Financing Sources/(Uses)			
Operating transfers in/(out)	<u>(1,000)</u>	<u>(1,279)</u>	<u>(279)</u>
Total Other Financing Sources/(Uses)	<u>(1,000)</u>	<u>(1,279)</u>	<u>(279)</u>
Excess of Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	6,500	4,776	(1,724)
Fund Balances, Beginning of year	<u>87,133</u>	<u>87,133</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 93,633</u>	<u>\$ 91,909</u>	<u>\$ (1,724)</u>

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - WORTHLESS CHECKS COLLECTION FEE
YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Fav./(Unfav.)</u>
Revenues			
Fees, charges and commissions for services	\$ 9,000	\$ 8,445	\$ (555)
Total revenues	<u>9,000</u>	<u>8,445</u>	<u>(555)</u>
Expenditures			
General government			
Personal services	12,000	12,000	0
Operating services	1,000	786	214
Materials and supplies	500	450	50
Travel and other charges	<u>250</u>	<u>200</u>	<u>50</u>
Total expenditures	<u>13,750</u>	<u>13,436</u>	<u>314</u>
Excess of Revenues Over/(Under) Expenditures	(4,750)	(4,991)	(241)
Fund Balances, Beginning of year	<u>16,549</u>	<u>16,549</u>	<u>0</u>
Fund Balances, End of year	<u>\$ 11,799</u>	<u>\$ 11,558</u>	<u>\$ (241)</u>

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and other funds.

Asset Forfeiture Fund - This fund is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

Bond Forfeiture Fund - This fund is used as a depository for bonds forfeited to rural District Attorney offices. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2002

	<u>Asset</u> <u>Forfeiture Fund</u>	<u>Bond</u> <u>Forfeiture Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total assets	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
LIABILITIES			
Due to law enforcement agencies and others	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total liabilities	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
ASSET FORFEITURE FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Balance</u> <u>December 31,</u> <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2002</u>
ASSETS				
Cash and cash equivalents	\$ 467	\$ 0	\$ 467	\$ 0
Total assets	<u>\$ 467</u>	<u>\$ 0</u>	<u>\$ 467</u>	<u>\$ 0</u>
LIABILITIES				
Due to law enforcement agencies and others	\$ 467	\$ 0	\$ 467	\$ 0
Total liabilities	<u>\$ 467</u>	<u>\$ 0</u>	<u>\$ 467</u>	<u>\$ 0</u>

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
BOND FORFEITURE FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Balance</u> <u>December 31,</u> <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2002</u>
ASSETS				
Cash and cash equivalents	\$ 704	\$ 1,744	\$ 2,448	\$ 0
Total assets	<u>\$ 704</u>	<u>\$ 1,744</u>	<u>\$ 2,448</u>	<u>\$ 0</u>
LIABILITIES				
Due to law enforcement agencies	\$ 704	\$ 1,744	\$ 2,448	\$ 0
Total liabilities	<u>\$ 704</u>	<u>\$ 1,744</u>	<u>\$ 2,448</u>	<u>\$ 0</u>

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

Honorable William R. Jones
District Attorney of the Thirty-Ninth Judicial District
Coushatta, LA 71019

We have audited the financial statements of the District Attorney of the Thirty-Ninth Judicial District, Coushatta, Louisiana, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 16, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the District Attorney of the Thirty-Ninth Judicial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney of the Thirty-Ninth Judicial District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Hines, Jackson & Hines

Natchitoches, Louisiana
May 16, 2003

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 2002

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

DISTRICT ATTORNEY OF THE THIRTY-NINTH JUDICIAL DISTRICT
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 2002

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.