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

**FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/8/07

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

FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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**DON M. MCGEHEE**

*(A Professional Accounting Corporation)*

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205 E. Reynolds Drive, Suite A  
Ruston, Louisiana 71273-1344

**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 financial statements of the governmental activities and the aggregate remaining fund information 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, 2006, which collectively comprise the District Attorney's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District Attorney's management. My responsibility is to express opinions on these financial statements based on my audit.

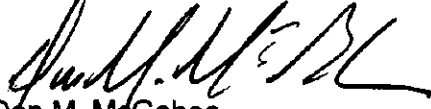
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the aggregate remaining fund information of the District Attorney of the Third Judicial District, as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 30, 2007, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and pages 23 - 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Don M. McGehee  
Certified Public Accountant  
June 30, 2007

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ROBERT W. LEVY, DISTRICT ATTORNEY**  
THIRD JUDICIAL DISTRICT OF LOUISIANA  
PARISHES OF LINCOLN & UNION

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P.O. BOX 777  
RUSTON, LA 71273-0777  
(318) 251-5100



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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006**

Our discussion and analysis of the District Attorney's financial performance provides an overview of the financial activities for the year ended December 31, 2006. It is based upon currently known facts, decisions, and conditions. Please read it in conjunction with the financial statements which begin on page 8.

**Basic Financial Statements**

The basic financial statements include government-wide and fund financial statements. The government-wide statements consist of a Statement of Net Assets and a Statement of Activities and provide information about the financial activities of our Office as a whole. The government-wide statements present a long-term view of our finances. Fund financial statements consist of the respective fund's balance sheet and the fund's statement of revenues, expenditures and changes in fund balance, if applicable. The fund statements tell how our services were financed in the short-term and what remains for future spending. The primary difference between the fund and government-wide statement presentation methods is that expenditures for capital assets are expensed in the fund financial statements but capitalized and depreciated in the government-wide statements.

Our office reports information about monies we hold as an agent for others in the fiduciary fund. We are responsible for ensuring that all assets held for others are distributed as ordered by the court. We cannot use the assets held for others to finance our operations.

**Statement of Net Assets and Statement of Activities**

One of the most important questions asked about our finances is, "Is the District Attorney's Office as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about our Office as a whole and about our activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is a method similar to accounting used by most private-sector companies. All revenues and expenses of the current year are reported under this method regardless of when cash is received or disbursed.

These two statements report our Office's net assets and the changes in the net assets. You can think of net assets - the difference between assets and liabilities - as one way to measure the financial health, or financial position, of our Office. Increases/(decreases) in our net assets are one indicator of whether our financial health is improving/(deteriorating).

We report the financial activity of all services provided by us in the Statement of Net Assets and Statement of Activities. Expenses primarily include salaries and related benefits, and office expenses. Fees received from the defendants, grants and other assistance, and the on-behalf payments received from the State of Louisiana finance most of our activities.

**Government-Wide Financial Analysis**

As noted above, net assets may serve as a useful indicator of an entity's financial position. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the governmental activities of our Office.

Table 1  
Total Net Assets

	<u>2006</u>	<u>2005</u>
Current Assets	\$ 398,174	\$ 310,480
Capital Assets	52,985	57,504
Total	<u>451,159</u>	<u>367,984</u>
Current Liabilities	<u>50,520</u>	<u>68,898</u>
Net Assets:		
Investment in Capital Assets	52,985	57,504
Unrestricted Net Assets	<u>347,654</u>	<u>241,582</u>
Total Net Assets	<u>\$ 400,639</u>	<u>\$ 299,086</u>

Net assets increased \$101,553 from the prior year. Unrestricted net assets, which is the part of net assets that can be used to finance the day-to-day operations of our office without constraints, increased \$106,072.

The increase was primarily a result of an increase in revenues, which improved cash flows such that ending cash and certificates of deposit balances increased \$18,152 from the prior year and which caused an increase in amounts due from other governmental units of \$56,887.

Table 2  
Change in Net Assets

	<u>2006</u>	<u>2005</u>
Revenues		
Program Revenues:		
Fees	\$ 230,732	\$ 231,672
Intergovernmental	686,941	648,845
On-Behalf Revenue	322,111	276,023
Grants and Other Assistance	288,791	278,452
General Revenues:		
Intergovernmental	289,660	289,660
Interest Income	1,668	735
Miscellaneous Income	<u>2,139</u>	<u>1,514</u>
Total Revenues	<u>1,822,042</u>	<u>1,726,901</u>
Program Expenses:		
General Government-Judiciary	1,398,378	1,301,255
On-Behalf Expenses	<u>322,111</u>	<u>276,023</u>
Total Expenses	<u>1,720,489</u>	<u>1,577,278</u>
Increase in Net Assets	<u>\$ 101,553</u>	<u>\$ 149,623</u>

Total revenues increased by 6% (\$95,140) from the prior year. Intergovernmental program revenue increased 6% (\$38,095) primarily as a result of a \$30,488 increase in forfeitures. On-behalf revenue increased 17% (\$46,088) primarily due to a raise given to assistant district attorney's by the state.

Expenses increased 9% (\$143,211), mainly due to increases in the areas of salaries, insurance, contract services, and office expense. Salaries increased \$73,583 primarily due to an increase in the on-behalf amounts paid by the state and merit raises given. Insurance increased \$15,943 due to an increase in the cost of employee's health insurance. Contract services increased \$13,751 primarily due to the use of contract laborer to temporarily fill the position of an employee on leave. Office expense increased \$14,762.

The net effect was a \$48,071 decrease in the total change in net assets for the year ended December 31, 2006, compared to the prior year total change in net assets.

### **Fund Financial Statements**

As of our year end on December 31, 2006, our governmental funds reported a fund balance of \$347,654, which is \$106,072 higher than last year's fund balance. During 2006, revenues increased \$95,141 for the reasons described above. Expenditures increased 8% (\$130,786) over the prior year as described above.

### **General Fund Budgetary Highlights**

We amend our budget when we determine there are unexpected differences between actual and anticipated revenues and/or expenditures. Our final amended budget was adopted just prior to year end. The differences between the original and final amended budget were a 3% (\$40,382) increase in revenues and a 10% (\$127,389) increase in expenditures. The change in budgeted revenues included a \$15,885 increase in fees, a \$12,973 increase in intergovernmental revenue and a \$20,000 increase in on-behalf revenue. Budgeted insurance was adjusted upward \$29,697, office expenses were increased \$19,647, salaries were increased \$57,801, and other expenses were increased \$17,491. There were no other significant budget amendments.

Actual general fund revenues were 11% (\$144,069) greater than budgeted revenues, and actual general fund expenditures and transfers were 1% (\$8,319) more than budgeted expenditures and transfers. Grant revenues exceeded budgeted amounts by \$46,482 (79%), primarily because some grants were not included in the budgeting process. Intergovernmental revenues exceeded budgeted amounts by \$78,573 (10%) due primarily to an unexpected increase in forfeitures and criminal court fund monies received. Actual on-behalf revenue exceeded budgeted revenues by \$12,111 (4%), as the budgeted amounts did not include the benefits related to the salaries paid. Employee benefits were under budgeted \$17,316 (37%) due to the on-behalf amounts not being budgeted. Budgeted salaries were \$46,774 (5%) more than actual expenditures, mainly because the budget included certain salaries that were allocated to other funds at year end. Insurance was \$16,280 (15%) less than budgeted due to certain amounts being allocated to other funds at year end. Other expenses were \$18,503 (98%) less than amounts budgeted.

### **Capital Assets**

In 2006 we purchased computer equipment, other office equipment, and office furniture. For the upcoming year, we plan to purchase some additional computer equipment and upgrade our computer software, but there are no plans to issue debt to finance these purchases or any other future project.

### **Currently Known Facts, Decisions, or Conditions**

We are not aware of any facts, decisions, or conditions that are expected to have a significant impact on the financial position or results of operations after the reporting date.



**Contacting the District Attorney's Office**

This financial report is designed to provide citizens and taxpayers with a general overview of the finances of the District Attorney's Office and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Attorney's Office at 100 W. Texas Avenue, Ruston, LA 71270.

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

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

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 135,089
Certificates of Deposit	25,752
Due from Other Governmental Units	188,357
Due from Grants	25,923
Due from Others	15,424
Prepaid Insurance	7,194
Interest Receivable	435
Capital assets, net of depreciation	<u>52,985</u>
<b>Total Assets</b>	<u><b>451,159</b></u>
<b>LIABILITIES</b>	
Accounts Payable	11,302
Accrued Liabilities	<u>39,218</u>
<b>Total Liabilities</b>	<u><b>50,520</b></u>
<b>NET ASSETS</b>	
Invested in Capital Assets	52,985
Unrestricted	<u>347,654</u>
<b>Total Net Assets</b>	<u><b>\$ 400,639</b></u>

See accompanying notes to financial statements.

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

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Government-Judicial	\$ <u>1,720,489</u>	\$ <u>1,239,784</u>	\$ <u>288,791</u>	\$ <u>(191,914)</u>
<b>Total Governmental Activities</b>	<b>\$ <u>1,720,489</u></b>	<b>\$ <u>1,239,784</u></b>	<b>\$ <u>288,791</u></b>	<b><u>(191,914)</u></b>
General Revenues:				
Intergovernmental not restricted to specific programs				289,660
Interest earnings				1,668
Miscellaneous				<u>2,139</u>
Total General Revenues				<u>293,467</u>
Change in Net Assets				101,553
Net Assets - Beginning				<u>299,086</u>
Net Assets - Ending				<b>\$ <u>400,639</u></b>

See accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS**

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

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	<u>General Fund</u>	<u>Special Revenue Funds</u>			<u>Total Governmental Funds</u>
		<u>Title IV-D</u>	<u>Worthless Checks</u>	<u>TASC</u>	
<b>ASSETS</b>					
Cash	\$ 27,794	\$ 47,759	\$ 34,752	\$ 24,784	\$ 135,089
Certificate of Deposit	0	0	25,752	0	25,752
Due from Other					
Governmental Units	93,524	29,536	0	65,297	188,357
Due from Grants	20,139	0	0	5,784	25,923
Due from Others	15,424	0	0	0	15,424
Interest Receivable	0	0	435	0	435
Due from Other Funds	195,804	0	0	0	195,804
Prepaid Expenses	7,194	0	0	0	7,194
<b>Total Assets</b>	<b><u>\$ 359,879</u></b>	<b><u>\$ 77,295</u></b>	<b><u>\$ 60,939</u></b>	<b><u>\$ 95,865</u></b>	<b><u>\$ 593,978</u></b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 9,020	\$ 117	\$ 0	\$ 2,165	\$ 11,302
Accrued Liabilities	39,218	0	0	0	39,218
Due to Other Funds	0	43,213	46,814	105,777	195,804
<b>Total Liabilities</b>	<b><u>48,238</u></b>	<b><u>43,330</u></b>	<b><u>46,814</u></b>	<b><u>107,942</u></b>	<b><u>246,324</u></b>
<b>FUND EQUITY</b>					
Fund Balance (Deficit) -					
Unreserved and					
Undesignated	311,641	33,965	14,125	(12,077)	347,654
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 359,879</u></b>	<b><u>\$ 77,295</u></b>	<b><u>\$ 60,939</u></b>	<b><u>\$ 95,865</u></b>	

Amounts reported for government activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

52,985

Net assets of government activities

\$ 400,639

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	General	Title IV-D	Worthless Checks	TASC	Total Governmental Funds
<b>REVENUES</b>					
Fees	\$ 184,245	\$ 0	\$ 46,487	\$ 0	\$ 230,732
Grants and Other Assistance	105,230	166,340	0	17,221	288,791
Interest Income	335	242	861	230	1,668
Intergovernmental	842,569	0	0	134,032	976,601
On-Behalf Revenue	322,111	0	0	0	322,111
Other Income	<u>2,139</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,139</u>
<b>Total Revenues</b>	<u>1,456,629</u>	<u>166,582</u>	<u>47,348</u>	<u>151,483</u>	<u>1,822,042</u>
<b>EXPENDITURES</b>					
Capital Outlay	11,933	0	0	168	12,101
Auto Expense	5,521	0	0	0	5,521
Contract Services	24,819	13,480	2,400	0	40,699
Dues	5,960	40	0	0	6,000
Employee Benefits	64,400	12,891	3,290	14,307	94,888
Insurance	93,004	12,536	3,683	16,578	125,801
LDAA Assessment	10,531	0	0	0	10,531
Library	28,079	0	0	0	28,079
Lincoln Police Jury	14,000	0	0	0	14,000
Office Expense	50,050	935	0	9,284	60,269
Other	423	0	0	0	423
Payroll Taxes	14,027	1,870	374	1,787	18,058
Penalties and Interest	2,334	0	0	0	2,334
Professional Fees	13,700	0	0	21,350	35,050
Rent	23,010	2,500	0	4,527	30,037
Salaries	887,207	136,647	25,800	123,261	1,172,915
Telephone	15,474	1,186	0	2,692	19,352
Training and Seminars	2,399	495	0	175	3,069
Travel	15,013	1,469	0	1,401	17,883
Trial Expenses	<u>18,960</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,960</u>
<b>Total Expenditures</b>	<u>1,300,844</u>	<u>184,049</u>	<u>35,547</u>	<u>195,530</u>	<u>1,715,970</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,785	(17,467)	11,801	(44,047)	106,072
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers	<u>(55,125)</u>	<u>16,648</u>	<u>0</u>	<u>38,477</u>	<u>0</u>
Net Changes in Fund Balances	100,660	(819)	11,801	(5,570)	106,072
Fund Balances(Deficit) - Beginning	<u>210,981</u>	<u>34,784</u>	<u>2,324</u>	<u>(6,507)</u>	<u>241,582</u>
Fund Balance (Deficit) - Ending	<u>\$ 311,641</u>	<u>\$ 33,965</u>	<u>\$ 14,125</u>	<u>\$ (12,077)</u>	<u>\$ 347,654</u>

See accompanying notes to financial statements.

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Net Change in Fund Balances-Total Governmental Funds** \$ 106,072

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

Governmental funds reported capital outlays as expenditures. However, the statement of activities reflects expenditures for capital outlays as an increase in capital assets, and recognizes an economic cost of the asset as depreciation expense over the estimated useful life of the asset. Expenditures for deprecation expense in the governmental funds of \$16,620 exceeded the \$12,101 cost of capital outlays in the statement of activities by \$4,519.

(4,519)

**Change in Net Assets of Government Activities** \$ 101,553

See accompanying notes to financial statements.



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

**STATEMENT OF FIDUCIARY NET ASSETS  
DECEMBER 31, 2006**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 83,044
Non-Cash Assets Seized	<u>111,085</u>
<b>Total Assets</b>	<u>194,129</u>
<b>LIABILITIES</b>	
Seizures not yet Forfeited	150,154
Judgements not yet Disbursed	<u>43,975</u>
<b>Total Liabilities</b>	<u>194,129</u>
<b>NET ASSETS</b>	<u>\$ 0</u>

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, 2006**

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 accompanying basic financial statements of the District Attorney's Office are prepared in accordance with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies used by the District Attorney's Office are discussed below:

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

**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 Judicial District Truancy Assessment and Services Center (TASC) is a jointly governed organization. TASC's purpose is to identify potential juvenile delinquent behavior, using truancy as the primary indicator, and to correct it through early intervention. It operates through an interagency cooperation agreement with various agencies in Lincoln and Union parishes and with the District Attorney's Office. TASC is a component unit, but is not a legally separate organization from the District Attorney's Office. TASC is blended and reported within the Special Revenue Fund.

**FUND ACCOUNTING**

The accounts of the District Attorney are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Furthermore, each category is divided into separate "fund types." The fund categories used by the District Attorney's Office are governmental funds and fiduciary funds. Governmental funds account for the District Attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Fiduciary funds account for the activity of the District Attorney as an agent for third parties.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. The District Attorney's Office uses the following special revenue funds:

Title IV-D Fund - To account for the receipt and expenditures of reimbursement grants from the Louisiana Department of Health and Human Resources, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the social security act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.

Worthless Checks Fund - To account for the receipt and use of the proceeds from fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives, from the principle to the offense, a prescribed amount upon collection of a worthless check. The fund may be used to defray the salaries and expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney.

Third Judicial District Truancy Assessment and Service Center (TASC) - To account for the receipt and use of monies from the State of Louisiana-Judicial Branch, authorized by the Children's Code Chapter 15, and a grant to operate a Truancy Assessment and Services Center. The TASC addresses the underlying causes of truancy to coordinate the pooling of existing resources targeted at the child and family and the providing of appropriate action by services and treatment agencies in Lincoln and Union parishes. The TASC operates through an interagency cooperation with the Third Judicial District Judges, Lincoln and Union Parish School Boards, Lincoln and Union Parish Police Jury, Lincoln and Union Parish Sheriff's Office, Louisiana Tech University, various other organizations, and the District Attorney's Office. The TASC is not legally separate from the District Attorney's Office.

Fiduciary Funds

Agency Funds

Agency Funds are used to account for assets held by the District Attorney's Office 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:

Forfeiture and Fine Fund - To account for assets received under the asset forfeiture law, under the bond forfeiture law, and for bail bond license fees. 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 disbursements of the funds. The bail bond license fees are distributed to various agencies, including the District Attorney's general fund, as provided by law.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using a current financial resources measurement focus and 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 both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 60 days was used. Revenues accrued include commissions (collected by another governmental unit and remitted to the District Attorney), other intergovernmental revenue, and reimbursements for expenditures from the state. Revenues that are not considered susceptible to accrual include certain charges for fees and forfeitures. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**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's Office prepared an operating budget on its General Fund and Special Revenue Funds for the year ended December 31, 2006. Budgetary data is prepared based on prior year actual operating revenues and expenditures. It is monitored by management and amended throughout the year as necessary. The District Attorney's Office performs only a custodial function in the case of the agency fund and therefore a budget for this fund is not appropriate. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

The 2006 general fund budget was authorized by the District Attorney, made available for public inspection at the District Attorney's Office, and adopted by the District Attorney. The budget was amended prior to year end by the District Attorney.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits with original maturities of three months or less from the date of acquisition. It also includes cash on hand and undeposited currency being held in trust for evidence. Under state law, the District Attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under the laws of any state of the United States, or under the laws of the United States.

**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.

**CAPITAL ASSETS**

Capital assets are capitalized at cost and depreciated over their estimated useful lives. Donated assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and Equipment	5 - 7 years
Vehicles	5 - 7 years

**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. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year end.

**NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT**

Cash consists of demand deposits and cash on hand. Deposits are carried at cost which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. Pledged 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, 2006, the District Attorney's Office has \$235,756 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

There was also a balance of \$450 recorded as cash on hand and \$7,679 recorded as undeposited currency being held in trust for evidence at December 31, 2006, which was uncollateralized.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

**NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units consisted of the following:

Commissions and Fees from -	
City of Ruston	\$ 511
Lincoln Parish Sheriff's Office	12,055
Union Parish Sheriff's Office	4,932
Lincoln Parish Criminal Court Fund	15,484
Union Parish Criminal Court Fund	60,302
U.S. Department of Treasury	240
State of Louisiana-Judicial Branch	65,297
Title IV-D Reimbursement Grant Monies from the State of LA, DHHR	<u>29,536</u>
<b>TOTAL</b>	<b><u>\$ 188,357</u></b>

**NOTE 4 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2006, are as follows:

	Balance 01/01/06	Additions	Deletions	Balance 12/31/06
<u>Capital Assets at Cost</u>				
Furniture and Equipment	\$ 248,644	\$ 12,101	\$ 0	\$ 260,745
Vehicles	<u>55,566</u>	<u>0</u>	<u>0</u>	<u>55,566</u>
<b>TOTALS</b>	<u>304,210</u>	<u>12,101</u>	<u>0</u>	<u>316,311</u>
<u>Less Accumulated</u>				
<u>Depreciation</u>				
Furniture and Equipment	191,414	16,346	0	207,760
Vehicles	<u>55,292</u>	<u>274</u>	<u>0</u>	<u>55,566</u>
<b>TOTALS</b>	<u>246,706</u>	<u>16,620</u>	<u>0</u>	<u>263,326</u>
<b>Net Capital Assets</b>	<b><u>\$ 57,504</u></b>	<b><u>\$ (4,519)</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 52,985</u></b>

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2006, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 195,804	\$ 0
Special Revenue Fund - Title IV-D	0	43,213
Special Revenue Fund - Worthless Check	0	46,814
Special Revenue Fund - TASC	<u>0</u>	<u>105,777</u>
<b>TOTAL</b>	<b><u>\$ 195,804</u></b>	<b><u>\$ 195,804</u></b>

**NOTE 6 - 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 7 - PENSION PLANS (CONTINUED)**

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 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

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 9.5% of their annual covered salary, and the District Attorney's Office is required to contribute an actuarially determined rate. The rate for 2004 through 2006 was 11.75%, 12.75%, and 12.75%, 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, 2004, 2005, and 2006 were \$55,645, \$64,659, and \$67,079, 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, 2109 Decatur Street, New Orleans, Louisiana 70116, or by calling (504) 947-5551.

Plan members are required to contribute 7% of their annual covered salary, and the District Attorney's Office is required to contribute an actuarially determined rate. The rate for the years ended June 30, 2004 through June 30, 2006 was 3.75%, 6%, and 3.5%, 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, 2004, 2005, and 2006 were \$4,972, \$13,218, and \$13,380, respectively, equal to the required contributions for each year.

**NOTE 7 - ON-BEHALF PAYMENTS**

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

General Fund

Salaries	\$ 303,750
Fringe Benefits	<u>18,361</u>
Total On-Behalf Payments	<u>\$ 322,111</u>

Fringe benefits paid by the State of Louisiana include pension plan contributions to the District Attorneys' Retirement System.

**REQUIRED SUPPLEMENTARY INFORMATION**



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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
DECEMBER 31, 2006**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Fees	\$ 161,835	\$ 177,720	\$ 184,245	\$ 6,525
Grants and Other Assistance	68,372	58,748	105,230	46,482
Interest Income	101	172	335	163
Intergovernmental	751,023	763,996	842,569	78,573
On-Behalf Revenue	290,000	310,000	322,111	12,111
Other Income	<u>847</u>	<u>1,924</u>	<u>2,139</u>	<u>215</u>
<b>TOTAL REVENUES</b>	<u>1,272,178</u>	<u>1,312,560</u>	<u>1,456,629</u>	<u>144,069</u>
<b>EXPENDITURES</b>				
Capital Outlay	19,049	13,828	11,933	1,895
Auto Expense	7,020	6,023	5,521	502
Contract Services	21,353	25,855	24,819	1,036
Dues and Subscriptions	4,044	5,510	5,960	(450)
Employee Benefits	51,657	47,084	64,400	(17,316)
Insurance	79,587	109,284	93,004	16,280
LDAA Assessment	10,531	10,531	10,531	0
Library	19,454	27,186	28,079	(893)
Lincoln Parish Police Jury	14,000	14,000	14,000	0
Office Expenses	26,559	46,206	50,050	(3,844)
Other	1,435	18,926	423	18,503
Payroll Taxes	10,226	13,676	14,027	(351)
Penalties and Interest	0	0	2,334	(2,334)
Professional Fees	12,350	13,700	13,700	0
Rent	25,204	22,001	23,010	(1,009)
Repairs and Maintenance	1,294	236	0	236
Salaries	876,180	933,981	887,207	46,774
Telephone	14,185	12,904	15,474	(2,570)
Training and Seminars	2,810	2,160	2,399	(239)
Travel and Meals	14,087	13,868	15,013	(1,145)
Trial Expenses	<u>9,236</u>	<u>0</u>	<u>18,960</u>	<u>(18,960)</u>
<b>TOTAL EXPENDITURES</b>	<u>1,220,261</u>	<u>1,336,959</u>	<u>1,300,844</u>	<u>36,115</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>51,917</u>	<u>(24,399)</u>	<u>155,785</u>	<u>180,184</u>
<b>OTHER FINANCING USES</b>				
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(55,125)</u>	<u>(55,125)</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>0</u>	<u>0</u>	<u>(55,125)</u>	<u>(55,125)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	51,917	(24,399)	100,660	125,059
<b>FUND BALANCE - BEGINNING</b>	<u>101,782</u>	<u>101,782</u>	<u>210,981</u>	<u>109,199</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 153,699</u>	<u>\$ 77,383</u>	<u>\$ 311,641</u>	<u>\$ 234,258</u>

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT**  
**PARISHES OF LINCOLN AND UNION, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE-SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2006**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Fees	\$ 37,344	\$ 47,071	\$ 46,487	\$ (584)
Grant	193,037	166,577	183,561	16,984
Intergovernmental	134,468	74,983	134,032	59,049
Interest Income	117	457	1,333	876
<b>TOTAL REVENUES</b>	<u>364,966</u>	<u>289,088</u>	<u>365,413</u>	<u>76,325</u>
<b>EXPENDITURES</b>				
Capital Outlay	13,825	201	168	33
Contract Services	24,000	0	15,880	(15,880)
Dues	0	44	40	4
Employee Benefits	30,659	18,460	30,488	(12,028)
Insurance	31,677	16,453	32,797	(16,344)
Office Expense	5,861	11,932	10,219	1,713
Other	0	14,018	0	14,018
Payroll Taxes	3,611	459	4,031	(3,572)
Professional Fees	0	33,611	21,350	12,261
Rent	7,394	7,090	7,027	63
Salaries	256,265	252,850	285,708	(32,858)
Telephone	14,413	4,497	3,878	619
Training and Seminars	4,601	967	670	297
Travel	0	3,196	2,870	326
<b>TOTAL EXPENDITURES</b>	<u>392,306</u>	<u>363,778</u>	<u>415,126</u>	<u>(51,348)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(27,340)	(74,690)	(49,713)	24,977
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>55,125</u>	<u>55,125</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>0</u>	<u>0</u>	<u>55,125</u>	<u>55,125</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	(27,340)	(74,690)	5,412	80,102
<b>FUND DEFICIT-BEGINNING</b>	<u>(1,917)</u>	<u>(1,917)</u>	<u>30,601</u>	<u>32,518</u>
<b>FUND BALANCE (DEFICIT)-ENDING</b>	<u>\$ (29,257)</u>	<u>\$ (76,607)</u>	<u>\$ 36,013</u>	<u>\$ 112,620</u>

**OTHER REPORTS AND SCHEDULES**

**DON M. MCGEHEE**  
(A Professional Accounting Corporation)

P.O. Box 1344  
205 E. Reynolds Drive, Suite A  
Ruston, Louisiana 71273-1344

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

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

I have audited the financial statements of the governmental activities and the aggregate remaining fund information 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, 2006, which collectively comprise the District Attorney's basic financial statements and have issued my report thereon dated June 30, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Attorney's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District Attorney's financial statements that is more than inconsequential will not be prevented or detected by the District Attorney's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as #2006-1 to be a significant deficiency in internal control over reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by the District Attorney's internal control.

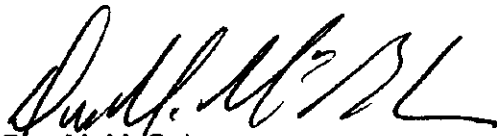
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be a material weakness. However, of the significant deficiencies described above, I consider item #2006-1 to be a material weakness.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item #2006-2 and #2006-3.

The District Attorney's responses to the findings identified in my audit are described in the accompanying schedule of management's corrective action plan. I did not audit the District Attorney's responses and, accordingly, I express no opinion on them.

*This report is intended solely for the information of the management of the District Attorney's Office, federal awarding agencies and pass-through entities, 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. McGehee  
Certified Public Accountant  
June 30, 2007

**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, 2006**

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 2006, and have issued my report thereon dated June 30, 2007. I conducted my 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. My audit of the financial statements as of December 31, 2006 resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards:

**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 2006-1. 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.

**Finding 2006-2. Unfavorable Budget Variance.** The actual special revenue fund expenditures were 14% more than the amount budgeted. State law requires that the budget be amended when it is anticipated that there will be a variance that is greater than 5%. I recommend that the budget be monitored more closely and amended when anticipated expenditures are expected to exceed budgeted amounts by more than 5% in future budgets.

**Finding 2006-3. Budgeted Expenditures Exceed Funds Available.** The special revenue funds budget for 2006 had expenditures of \$363,778, but the budgeted funds available were only \$287,171. State law requires the expenditures not to exceed total estimated funds available. I recommend that expenditures not exceed funds available in future budgets.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

**FINDINGS**

**STATUS**

**2005-1. 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.

Unresolved. See Finding 2006-1.

**2005-2. 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.

Unresolved. See Finding 2006-2.

**2005-3. Budgeted Expenditures Exceed Funds Available.** Recommended that expenditures not exceed funds available in future budgets prepared.

Unresolved. See Finding 2006-3.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT  
PARISHES OF LINCOLN AND UNION, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

**FINDINGS**

**RESPONSE**

**2006-1. Separation of Duties.** Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

The District Attorney's Office has an accounting workload that can be easily managed by two employees. The hiring of additional employees to provide enhanced internal control does not appear to be the best use of resources.

**2006-2. Unfavorable Budget Variance.** The special revenue funds had an unfavorable budget variance of 14% for expenditures. According to state law, the budget should be amended when anticipated amounts exceed budget estimates by more than 5%. I recommend that budget variances be monitored more closely and that the budget be amended when anticipated amounts exceed budget amounts by more than 5%.

The financial administrator will monitor the 2007 budget variances more closely.

**2006-3. Budgeted Expenditures Exceed Funds Available.** The special revenue funds budget for 2006 had expenditures of \$363,778, but the budgeted funds available were only \$287,171. According to state law, the adopted budget should not have expenditures that exceed funds available. I recommend that expenditures not exceed funds available in future budgets.

The financial administrator will resolve this problem in the next budget prepared.



**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, 2006**

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
<b>U.S. Department of Health and Human Services:</b>					
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 7-1-06 After 6-30-06	13.783	N/A 355-701917	\$ 152,213 176,063	\$ 75,484 90,856
Passed Through Louisiana Foundation Against Sexual Assault, Inc. Rape Prevention Education Grant	7-1-06 to 6-30-06 7-1-06 to 6-30-07	93.136	N/A N/A	30,825 31,911	15,407 <u>15,219</u>
<b>Total Department of Health and Human Services</b>					
<b>U.S. Department of Justice:</b>					
Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice Combination Prosecution	1-1-06 to 12-31-06	16.588	M05-1-002	20,528	20,528
Truancy Reduction	10-1-04 to 4-30-06 5-1-06 to 3-1-07	16.523	A03-8-039 A04-8-009	34,710 10,000	11,437 5,784
Victim Assistance Program	10-1-05 to 9-30-06	16.575	C05-1-002	20,866	15,649
Victim Assistance Program	10-1-06 to 9-30-07	16.582	C06-1-002	21,120	5,280
MDO Prosecution Unit	10-1-05 to 9-30-06 10-1-06 to 9-30-07	16.738	B05-1-007 B06-1-007	9,051 5,435	6,788 <u>1,359</u>
<b>Total Department of Justice</b>					
					<b>\$ 263,791</b>