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

**FINANCIAL STATEMENTS
DECEMBER 31, 2000**

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 7-11-01

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2000**

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the District Attorney of the Third Judicial District, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the District Attorney's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Third Judicial District as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated June 26, 2001, on my consideration of the District Attorney's internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District Attorney of the Third Judicial District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Don M. McGehee
Certified Public Accountant
June 26, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

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

DECEMBER 31, 2000

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1999

	GOVERNMENTAL FUND		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTALS	
	GENERAL	SPECIAL REVENUE			GENERAL FIXED ASSETS	(MEMORANDUM ONLY) 2000
ASSETS						
Cash	\$ 98,507	\$ 23,390	\$ 242,105	\$ 0	\$ 364,002	\$ 389,352
Certificates of Deposit	81,058	63,697	0	0	144,755	232,069
Due from Other Units	7,687	35,782	0	0	43,469	52,097
Due from Criminal Court Fund	73,045	0	0	0	73,045	0
Due from Other Funds	34,393	25,102	0	0	59,495	76,437
Non-Cash Assets Seized	0	0	56,608	0	56,608	55,708
Equipment	0	0	0	420,860	420,860	368,733
TOTAL ASSETS	<u>\$ 294,690</u>	<u>\$ 147,971</u>	<u>\$ 298,713</u>	<u>\$ 420,860</u>	<u>\$ 1,162,234</u>	<u>\$ 1,174,396</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accounts Payable	\$ 693	\$ 2,568	\$ 0	\$ 0	\$ 3,261	\$ 4,311
Accrued Liabilities	41,181	0	0	0	41,181	17,708
Seizures not yet Forfeited	0	0	246,563	0	246,563	202,205
Judgements not yet Disbursed	0	0	46,827	0	46,827	38,823
Due to Merchants	0	119	0	0	119	2,505
Due to Other Funds	0	54,172	5,323	0	59,495	76,437
TOTAL LIABILITIES	<u>41,874</u>	<u>56,859</u>	<u>298,713</u>	<u>0</u>	<u>397,446</u>	<u>341,989</u>
FUND EQUITY						
Investment in Fixed Assets	0	0	0	420,860	420,860	368,733
Fund Balances						
Unreserved and Undesignated	252,816	91,112	0	0	343,928	463,674
TOTAL FUND EQUITY	<u>252,816</u>	<u>91,112</u>	<u>0</u>	<u>420,860</u>	<u>764,788</u>	<u>832,407</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 294,690</u>	<u>\$ 147,971</u>	<u>\$ 298,713</u>	<u>\$ 420,860</u>	<u>\$ 1,162,234</u>	<u>\$ 1,174,396</u>

See accompanying notes to financial statements.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2000
WITH COMPARATIVE TOTALS FOR 1999

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>2000</u>	<u>1999</u>
REVENUES				
Fees	\$ 82,692	\$ 44,637	\$ 127,329	\$ 184,842
Grants and Other Assistance	129,812	179,430	309,242	281,907
Interest Income	6,818	5,488	12,306	14,122
Intergovernmental	277,313	3,486	280,799	303,601
On-Behalf Revenue	358,584	49,294	407,878	458,949
Other Income	218	0	218	450
TOTAL REVENUES	<u>855,437</u>	<u>282,335</u>	<u>1,137,772</u>	<u>1,243,871</u>
EXPENDITURES				
General Government	878,593	326,798	1,205,391	1,199,240
Capital Outlay	50,322	1,805	52,127	13,520
TOTAL EXPENDITURES	<u>928,915</u>	<u>328,603</u>	<u>1,257,518</u>	<u>1,212,760</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,478)	(46,268)	(119,746)	31,111
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	11,898	6,191	18,089	37,086
Operating Transfers Out	(6,191)	(11,898)	(18,089)	(37,086)
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,707</u>	<u>(5,707)</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(67,771)	(51,975)	(119,746)	31,111
FUND BALANCE - BEGINNING	<u>320,587</u>	<u>143,087</u>	<u>463,674</u>	<u>432,563</u>
FUND BALANCE - ENDING	<u>\$ 252,816</u>	<u>\$ 91,112</u>	<u>\$ 343,928</u>	<u>\$ 463,674</u>

See accompanying notes to financial statements.

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL -- ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2000

	GENERAL FUND		SPECIAL REVENUE FUND			
	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
REVENUES						
Fees	\$ 80,000	\$ 82,692	\$ 2,692	\$ 48,000	\$ 44,637	\$ (3,363)
Grants and Other Assistance	162,567	129,812	(32,755)	189,080	179,430	(9,650)
Interest Income	8,200	6,818	(1,382)	4,900	5,488	588
Intergovernmental	201,000	277,313	76,313	8,000	3,486	(4,514)
On-Behalf Revenue	512,971	358,584	(154,387)	55,900	49,294	(6,606)
Other	1,000	218	(782)	0	0	0
TOTAL REVENUES	<u>965,738</u>	<u>855,437</u>	<u>(110,301)</u>	<u>305,880</u>	<u>282,335</u>	<u>(23,545)</u>
EXPENDITURES						
General Government	975,905	878,593	97,312	326,547	326,798	(251)
Capital Outlay	48,000	50,322	(2,322)	2,000	1,805	195
TOTAL EXPENDITURES	<u>1,023,905</u>	<u>928,915</u>	<u>94,990</u>	<u>328,547</u>	<u>328,603</u>	<u>(56)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(58,167)	(73,478)	(15,311)	(22,667)	(46,268)	(23,601)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	8,850	11,898	3,048	16,400	6,191	(10,209)
Operating Transfers Out	(16,400)	(6,191)	10,209	(8,850)	(11,898)	(3,048)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,550)</u>	<u>5,707</u>	<u>13,257</u>	<u>7,550</u>	<u>(5,707)</u>	<u>(13,257)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(65,717)	(67,771)	(2,054)	(15,117)	(51,975)	(36,858)
FUND BALANCE - BEGINNING	<u>250,000</u>	<u>320,587</u>	<u>70,587</u>	<u>170,000</u>	<u>143,087</u>	<u>(26,913)</u>
FUND BALANCE - ENDING	<u>\$ 184,283</u>	<u>\$ 252,816</u>	<u>\$ 68,533</u>	<u>\$ 154,883</u>	<u>\$ 91,112</u>	<u>\$ (63,771)</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, 2000

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.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government.

REPORTING ENTITY

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

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

FUND ACCOUNTING

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

Governmental Funds

General Fund

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

Special Revenue Funds

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

Fiduciary Funds

Agency Funds

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

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

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

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

BASIS OF ACCOUNTING

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

All government funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amount of the transaction can be determined and available means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. An availability period of 60 days was used. Revenues accrued include commissions (collected by another governmental unit and remitted to the District Attorney), other intergovernmental revenue, reimbursement for expenditures from the state, and incentives from the state. Revenues that are not considered susceptible to accrual include certain charges for fees and forfeitures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

USE OF ESTIMATES

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

BUDGETS AND BUDGETARY ACCOUNTING

The District Attorney adopted a budget for all the governmental fund types in accordance with state law and generally accepted accounting principles. The budget was not amended for the year ended December 31, 2000. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

INTERFUND AND INTRA-ENTITY RECEIVABLES/PAYABLES

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

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA

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

VACATION AND SICK LEAVE

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

TOTAL COLUMNS ON STATEMENTS

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

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT

Cash includes cash on hand, amounts in demand deposits, interest bearing demand deposits and time deposits. Under state law, the district attorney may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. At December 31, 2000, the carrying amount of deposits was \$501,078 and the bank balance was \$501,585. The bank balance was covered by federal depository insurance and securities pledged by the banks. Some of the pledged securities are in the name of the pledging fiscal agent bank in a custodial bank, rather than in the name of the District Attorney's Office. At December 31, 2000, \$127,577 of the bank balance is considered uncollateralized (Category 3) under the provisions of GASB codification C20.106. There was also a balance of \$7,679 recorded as cash on hand at December 31, 2000, which was uncollateralized.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

Commissions and Fees from -	
City of Ruston	\$ 450
Union Parish Sheriff's Office	3,761
Title IV-D Reimbursement Grant Monies from the State of LA, DHHR	31,124
Louisiana Commission on Law Enforcement	<u>8,134</u>
TOTAL	<u>\$ 43,469</u>

The District Attorney's Office did not accrue grant revenue from the Louisiana Commission on Law Enforcement of \$5,296 related to expenditures for December, 2000, because all grant requirements had not been met so that the grants beginning December 1, 2000 through November 30, 2001, could be approved. Approval is expected to be received in 2000.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2000

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed asset equipment follows:

Balance - January 1, 1999	\$ 368,733
Additions	52,127
Balance - December 31, 2000	<u>\$ 420,860</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2000, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 34,393	\$ 0
Special Revenue Fund - Title IV-D	17,065	0
Special Revenue Fund - Worthless Check	0	54,172
Special Revenue Fund - TDNET	8,037	0
Agency Fund - Forfeitures	0	5,323
	<u>\$ 59,495</u>	<u>\$ 59,495</u>

NOTE 6 - DUE FROM CRIMINAL COURT FUND

During 2000, the Criminal Court Fund (an individual fund of the Lincoln Parish Police Jury) had a shortage of cash. The District Attorney's Office (a component unit of the Lincoln Parish Police Jury) paid expenses for the Criminal Court Fund that will be reimbursed by the Criminal Court Fund as funds become available. Due to the relationship to the Criminal Court Fund, this balance was treated as an intra-entity receivable.

NOTE 7 - RENT

Beginning in March, 1999, the District Attorney's Office began leasing a building for the use of the multi-jurisdictional agency narcotics task force (i.e., TDNET) for \$1,284 per month.

NOTE 8 - PENSION PLANS

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

The Parochial Employees Retirement System (PERS) is a cost-sharing, multiple-employer, defined benefit pension plan which is administered and controlled by a board of trustees. The PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Parochial Employees Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 7 - PENSION PLANS (CONTINUED)

The PERS has a Plan A and a Plan B, the District Attorney's Office participates in Plan A. Plan A members are required to contribute 9.5% of their annual covered salary and the District Attorney's Office is required to contribute at an actuarially determined rate. The rate for 2000, 1999, 1998, 1997, and 1996 was 7.75%, 7.75%, 7.75%, 7.75%, and 7.25%, 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, 2000, 1999, 1998, 1997, and 1996 were \$20,681, \$20,870, \$21,371, \$19,895, and \$14,429, 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 at an actuarially determined rate. The rate for the years ended June 30, 2001, 2000, 1999, 1998, 1997, and 1996 was 0%, 0%, 0%, 1.25%, 2.5%, and 3.25%, 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, 1998, 1997, and 1996 were \$1,379, \$3,090, and \$2,464, respectively, equal to the required contributions for each year.

NOTE 9 - ON-BEHALF PAYMENTS

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

	<u>2000</u>	<u>1999</u>
<u>General Fund</u>		
Salaries	\$ 333,106	\$ 369,442
Fringe Benefits	<u>25,478</u>	<u>37,485</u>
Total On-Behalf Payments	<u>\$ 358,584</u>	<u>\$ 406,927</u>
 <u>Special Revenue Funds</u>		
Salaries	\$ 41,432	\$ 41,972
Fringe Benefits	<u>7,862</u>	<u>10,050</u>
Total On-Behalf Payments	<u>\$ 49,294</u>	<u>\$ 52,022</u>

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

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 10 - FIDUCIARY FUND

The District Attorney's Office receives funds under the asset forfeiture law, under the bond forfeiture law, and for bail bond license fees for further disbursement. The asset forfeiture funds and the bond forfeiture funds are held until a judgement is rendered on each case instructing the District Attorney's Office on the disbursement of the funds. The bail bond license fees are disbursed to various agencies, including the District Attorney's general fund, as provided by law. The Forfeiture and Fine Fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities are as follows for the year ended December 31, 2000:

	BALANCE JANUARY 1 2000	Additions	Deductions	BALANCE DECEMBER 31 2000
ASSETS				
Cash	\$ 192,036	\$ 178,874	\$ (128,805)	\$ 242,105
Non-Cash Assets Seized	55,708	900	0	56,608
TOTAL ASSETS	<u>\$ 247,744</u>	<u>\$ 179,774</u>	<u>\$ (128,805)</u>	<u>\$ 298,713</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Seizures not yet Forfeited	\$ 202,205	\$ 72,729	\$ (28,371)	\$ 246,563
Judgements not yet Disbursed	38,823	34,808	(26,804)	46,827
Due to Other Funds	6,716	5,323	(6,716)	5,323
TOTAL LIABILITIES	<u>247,744</u>	<u>112,860</u>	<u>(61,891)</u>	<u>298,713</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 247,744</u>	<u>\$ 112,860</u>	<u>\$ (61,891)</u>	<u>\$ 298,713</u>

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

GENERAL FUND

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

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Cash	\$ 98,507	\$ 140,099
Certificates of Deposit	81,058	103,246
Due from Other Governmental Units--		
Commissions on Fines	4,211	12,267
Grants - Louisiana Commission on Law Enforcement	3,476	9,542
Due from Criminal Court Fund	73,045	0
Due from Other Funds	34,393	76,173
TOTAL ASSETS	<u>\$ 294,690</u>	<u>\$ 341,327</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 693	\$ 3,032
Accrued Liabilities	41,181	17,708
TOTAL LIABILITIES	<u>41,874</u>	<u>20,740</u>
FUND BALANCE		
Unreserved and Undesignated	<u>252,816</u>	<u>320,587</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 294,690</u>	<u>\$ 341,327</u>

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

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

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 1999

	2000		Variance	1999
	Budget	Actual	Favorable (Unfavorable)	Actual
REVENUES				
Fees	\$ 80,000	\$ 82,692	\$ 2,692	\$ 122,532
Grants and Other Assistance	162,567	129,812	(32,755)	104,295
Interest Income	8,200	6,818	(1,382)	8,167
Intergovernmental	201,000	277,313	76,313	278,349
On-Behalf Revenue	512,971	358,584	(154,387)	406,927
Other Income	<u>1,000</u>	<u>218</u>	<u>(782)</u>	<u>450</u>
TOTAL REVENUES	<u>965,738</u>	<u>855,437</u>	<u>(110,301)</u>	<u>920,720</u>
EXPENDITURES				
Capital Outlay	48,000	50,322	(2,322)	5,207
Auto Expense	8,000	8,732	(732)	4,348
Dues and Subscriptions	7,000	2,400	4,600	1,443
Employee Benefits	29,185	17,385	11,800	19,228
Insurance	79,500	80,567	(1,067)	73,635
LDAA Building Assessment	0	0	0	7,000
Law Library	10,000	851	9,149	0
Office Expenses	19,500	21,739	(2,239)	13,743
Other	17,600	8,515	9,085	5,546
Payroll Taxes	10,420	9,248	1,172	8,967
Professional Fees	24,000	33,063	(9,063)	19,034
Rent	0	1,451	(1,451)	1,190
Repairs and Maintenance	2,600	3,981	(1,381)	51
Salaries	718,000	644,590	73,410	683,970
Settlement of Seizures	0	0	0	1,683
Telephone	19,000	6,940	12,060	6,451
Training and Seminars	3,100	3,135	(35)	1,916
Travel and Meals	<u>28,000</u>	<u>35,996</u>	<u>(7,996)</u>	<u>27,690</u>
TOTAL EXPENDITURES	<u>1,023,905</u>	<u>928,915</u>	<u>94,990</u>	<u>881,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(58,167)	(73,478)	(15,311)	39,618
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	8,850	11,898	3,048	30,852
Operating Transfers Out	<u>(16,400)</u>	<u>(6,191)</u>	<u>10,209</u>	<u>(6,234)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,550)</u>	<u>5,707</u>	<u>13,257</u>	<u>24,618</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(65,717)	(67,771)	(2,054)	64,236
FUND BALANCE - BEGINNING	<u>250,000</u>	<u>320,587</u>	<u>70,587</u>	<u>256,351</u>
FUND BALANCE - ENDING	<u>\$ 184,283</u>	<u>\$ 252,816</u>	<u>\$ 68,533</u>	<u>\$ 320,587</u>

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 Check 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 only to defray the salaries and expenses of the office of the District Attorney but may not be used to supplement the salary of the District Attorney.

Third District Narcotics Enforcement Team (TDNET)

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

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2000
WITH COMPARATIVE TOTALS FOR
DECEMBER 31, 1999

	<u>TITLE</u> <u>IV-D</u>	<u>WORTHLESS</u> <u>CHECK</u>	<u>TDNET</u>	<u>TOTALS</u>	
				<u>2000</u>	<u>1999</u>
ASSETS					
Cash	\$ 12,135	\$ 8,118	\$ 3,137	\$ 23,390	\$ 57,217
Certificate of Deposit	0	63,697	0	63,697	128,823
Due from Other Funds	17,065	0	8,037	25,102	264
Due from Other					
Governmental Units -					
Louisiana Commission on					
Law Enforcement	0	0	4,658	4,658	17,284
State of Louisiana -					
DHHR Grant	<u>31,124</u>	<u>0</u>	<u>0</u>	<u>31,124</u>	<u>13,004</u>
TOTAL ASSETS	<u>\$ 60,324</u>	<u>\$ 71,815</u>	<u>\$ 15,832</u>	<u>\$ 147,971</u>	<u>\$ 216,592</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 2,568	\$ 2,568	\$ 1,279
Due to Merchants	0	119	0	119	2,505
Due to Other Funds	<u>0</u>	<u>54,172</u>	<u>0</u>	<u>54,172</u>	<u>69,721</u>
TOTAL LIABILITIES	<u>0</u>	<u>54,291</u>	<u>2,568</u>	<u>56,859</u>	<u>73,505</u>
FUND EQUITY					
Fund Balances -					
Unreserved and					
Undesignated	<u>60,324</u>	<u>17,524</u>	<u>13,264</u>	<u>91,112</u>	<u>143,087</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 60,324</u>	<u>\$ 71,815</u>	<u>\$ 15,832</u>	<u>\$ 147,971</u>	<u>\$ 216,592</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2000
WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 1999

	TITLE	WORTHLESS	TOTALS		
	IV-D	CHECK	TDNET	2000	1999
REVENUES					
Fees	\$ 0	\$ 44,637	\$ 0	\$ 44,637	\$ 62,310
Grant	132,494	0	46,936	179,430	177,612
Interest Income	322	5,166	0	5,488	5,955
Intergovernmental	0	0	3,486	3,486	25,252
On-Behalf Revenue	<u>15,768</u>	<u>32,896</u>	<u>630</u>	<u>49,294</u>	<u>52,022</u>
TOTAL REVENUES	<u>148,584</u>	<u>82,699</u>	<u>51,052</u>	<u>282,335</u>	<u>323,151</u>
EXPENDITURES					
Capital Outlay	0	0	1,805	1,805	8,313
Auto Expense	0	0	0	0	34
Confidential Advances	0	0	19,124	19,124	6,374
Employee Benefits	6,203	5,098	0	11,301	10,657
Insurance	15,238	11,732	1,660	28,630	27,933
Investigation Supplies	0	0	2,125	2,125	2,403
Office Expense	1,752	0	3,693	5,445	4,576
Other	0	0	358	358	656
Payroll Taxes	1,662	1,283	765	3,710	3,834
Professional Fees	2,550	0	0	2,550	3,500
Rent	0	0	15,408	15,408	15,408
Repairs & Maintenance	0	0	518	518	877
Salaries	108,636	88,562	24,000	221,198	229,964
Settlement of Seizures	0	0	0	0	3,000
Telephone	1,690	0	9,179	10,869	10,895
Training and Seminars	850	0	0	850	165
Travel	<u>4,712</u>	<u>0</u>	<u>0</u>	<u>4,712</u>	<u>3,069</u>
TOTAL EXPENDITURES	<u>143,293</u>	<u>106,675</u>	<u>78,635</u>	<u>328,603</u>	<u>331,658</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,291	(23,976)	(27,583)	(46,268)	(8,507)
OTHER FINANCING SOURCES (USES)					
Operating Transfers	<u>(11,898)</u>	<u>0</u>	<u>6,191</u>	<u>(5,707)</u>	<u>(24,618)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(6,607)	(23,976)	(21,392)	(51,975)	(33,125)
FUND BALANCE - BEGINNING	<u>66,931</u>	<u>41,500</u>	<u>34,656</u>	<u>143,087</u>	<u>176,212</u>
FUND BALANCE - ENDING	<u>\$ 60,324</u>	<u>\$ 17,524</u>	<u>\$ 13,264</u>	<u>\$ 91,112</u>	<u>\$ 143,087</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TITLE IV-D FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 1999

	<u>2000</u>		Variance Favorable (Unfavorable)	<u>1999</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Grant	\$ 142,500	\$ 132,494	\$ (10,006)	\$ 133,190
Interest Income	0	322	322	880
On-Behalf Revenue	<u>10,500</u>	<u>15,768</u>	<u>5,268</u>	<u>12,787</u>
TOTAL REVENUES	<u>153,000</u>	<u>148,584</u>	<u>(4,416)</u>	<u>146,857</u>
EXPENDITURES				
Employee Benefits	6,000	6,203	(203)	5,069
Insurance	10,000	15,238	(5,238)	12,710
Office Expense	2,000	1,752	248	1,058
Other	2,000	0	2,000	0
Payroll Taxes	1,500	1,662	(162)	1,579
Professional Fees	0	2,550	(2,550)	3,500
Salaries	116,000	108,636	7,364	109,710
Telephone	1,650	1,690	(40)	1,346
Training and Seminars	0	850	(850)	165
Travel	<u>5,000</u>	<u>4,712</u>	<u>288</u>	<u>3,069</u>
TOTAL EXPENDITURES	<u>144,150</u>	<u>143,293</u>	<u>857</u>	<u>138,206</u>
EXCESS OF REVENUES OVER EXPENDITURES	8,850	5,291	3,559	8,651
OTHER FINANCING USES				
Operating Transfers Out	<u>(8,850)</u>	<u>(11,898)</u>	<u>(3,048)</u>	<u>(29,104)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(6,607)	(6,607)	(20,453)
FUND BALANCE - BEGINNING	<u>75,000</u>	<u>66,931</u>	<u>(8,069)</u>	<u>87,384</u>
FUND BALANCE - ENDING	<u>\$ 75,000</u>	<u>\$ 60,324</u>	<u>\$ (14,676)</u>	<u>\$ 66,931</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - WORTHLESS CHECK FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 1999

	<u>2000</u>		Variance Favorable (Unfavorable)	<u>1999</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Fees	\$ 48,000	\$ 44,637	\$ (3,363)	\$ 62,310
Interest Income	4,900	5,166	266	5,075
On-Behalf Revenue	<u>45,400</u>	<u>32,896</u>	<u>(12,504)</u>	<u>36,113</u>
TOTAL REVENUES	<u>98,300</u>	<u>82,699</u>	<u>(15,601)</u>	<u>103,498</u>
EXPENDITURES				
Employee Benefits	6,000	5,098	902	5,588
Insurance	10,500	11,732	(1,232)	12,845
Office Expense	0	0	0	35
Payroll Taxes	1,200	1,283	(83)	1,295
Salaries	<u>97,000</u>	<u>88,562</u>	<u>8,438</u>	<u>96,254</u>
TOTAL EXPENDITURES	<u>114,700</u>	<u>106,675</u>	<u>8,025</u>	<u>116,017</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(16,400)	(23,976)	(7,576)	(12,519)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>16,400</u>	<u>0</u>	<u>(16,400)</u>	<u>0</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	0	(23,976)	(23,976)	(12,519)
FUND BALANCE - BEGINNING	<u>50,000</u>	<u>41,500</u>	<u>(8,500)</u>	<u>54,019</u>
FUND BALANCE - ENDING	<u>\$ 50,000</u>	<u>\$ 17,524</u>	<u>\$ (32,476)</u>	<u>\$ 41,500</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TDNET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2000
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 1999

	2000		Variance Favorable (Unfavorable)	1999
	Budget	Actual		Actual
REVENUES				
Grant	\$ 46,580	\$ 46,936	\$ 356	\$ 44,422
Intergovernmental	8,000	3,486	(4,514)	25,252
On-Behalf Revenue	0	630	630	3,122
TOTAL REVENUES	<u>54,580</u>	<u>51,052</u>	<u>(3,528)</u>	<u>72,796</u>
EXPENDITURES				
Capital Outlay	2,000	1,805	195	8,313
Auto Expense	0	0	0	34
Confidential Advances	12,289	19,124	(6,835)	6,374
Insurance	1,000	1,660	(660)	2,378
Investigation Supplies	2,200	2,125	75	2,403
Office Expense	3,100	3,693	(593)	3,483
Other	300	358	(58)	656
Payroll Taxes	800	765	35	960
Rent	15,408	15,408	0	15,408
Repairs and Maintenance	100	518	(418)	877
Salaries	24,000	24,000	0	24,000
Settlement of Seizures	0	0	0	3,000
Telephone	8,500	9,179	(679)	9,549
TOTAL EXPENDITURES	<u>69,697</u>	<u>78,635</u>	<u>(8,938)</u>	<u>77,435</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(15,117)	(27,583)	(12,466)	(4,639)
OTHER FINANCING SOURCES				
Operating Transfers In	0	6,191	6,191	6,234
Operating Transfers Out	0	0	0	(1,748)
TOTAL OTHER FINANCING SOURCES (USES)	0	6,191	6,191	4,486
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(15,117)	(21,392)	(6,275)	(153)
FUND BALANCE - BEGINNING	<u>45,000</u>	<u>34,656</u>	<u>(10,344)</u>	<u>34,809</u>
FUND BALANCE - ENDING	<u>\$ 29,883</u>	<u>\$ 13,264</u>	<u>\$ (16,619)</u>	<u>\$ 34,656</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
GENERAL FIXED ASSETS		
Equipment	\$ <u>420,860</u>	\$ <u>368,733</u>
TOTAL GENERAL FIXED ASSETS	\$ <u>420,860</u>	\$ <u>368,733</u>
 INVESTMENTS IN GENERAL FIXED ASSETS		
Property Acquired from--		
Contributions from Other Governmental Units	\$ 61,105	\$ 61,105
Special Revenue Funds	120,723	118,918
General Fund	<u>239,032</u>	<u>188,710</u>
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	\$ <u>420,860</u>	\$ <u>368,733</u>

OTHER REPORTS AND SCHEDULES

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

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

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

I have audited the general purpose financial statements of the District Attorney, a component unit of the Lincoln Parish Police Jury, as of and for the year ended December 31, 2000, and have issued my report thereon dated June 26, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to management in a separate letter dated June 26, 2001.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District Attorney's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the District Attorney's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described in the accompanying schedule of findings and questioned costs as item #2000-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider the reportable condition described above to be a material weakness. I also noted other matters involving the internal control over financial reporting that I have reported to management in a separate letter dated June 26, 2001.

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This report is intended solely for the information of the District Attorney's Office, the Office of Family Security for the Provisions of Child Support Services, the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and the Legislative Auditor of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Don M. McGehee
Certified Public Accountant
June 26, 2001

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, 2000

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 2000, and have issued my report thereon dated June 26, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2000 resulted in an unqualified opinion. I also noted certain immaterial instances of noncompliance that I have reported to the management of the District Attorney's Office in a separate management letter.

Section I 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 II Financial Statement Findings

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

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

MANAGEMENT LETTER

June 26, 2001

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

I have audited the general purpose financial statements of the District Attorney of the Third Judicial District as of and for the year ended December 31, 2000 and have issued my report thereon dated June 26, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As a part of my examination, I have issued my report on the financial statements dated June 26, 2001, and my report on internal control and compliance with laws, regulations, and contracts, dated June 26, 2001.

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

Suggestion 2000-1. Budget Variances. State law requires the budget be amended if actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by 5% or more and fund balance is being used to fund current year expenditures. The District Attorney's special revenue fund actual beginning fund balance was less than budgeted amounts by 16% and fund balance is being used to fund current year expenditures. I recommend making budget amendments to adjust beginning fund balance after year end financial statements have been prepared if the amounts vary unfavorably from budgeted amounts by more than 5%.

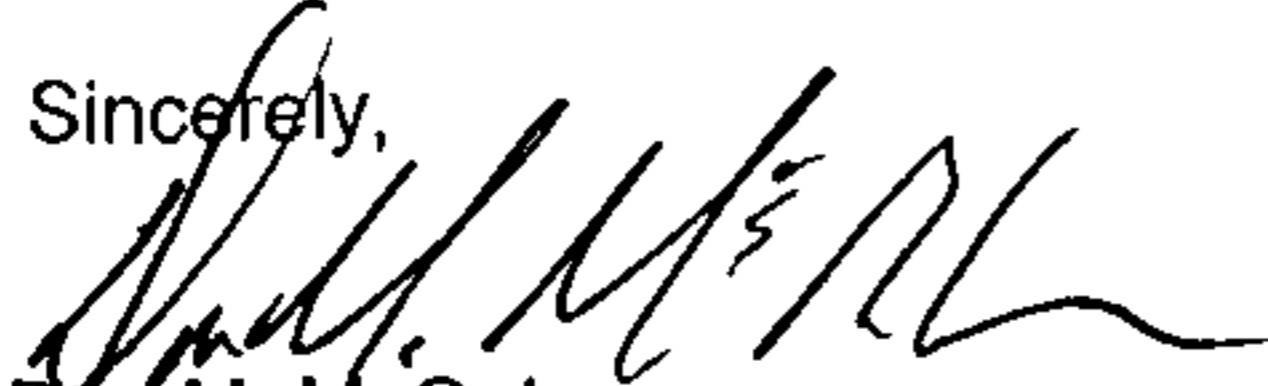
State law also requires the budget to be amended if actual revenues fail to meet estimated revenues by more than 5%. The District Attorney's special revenue and general fund revenues were less than budgeted amounts by 10% and 11%, respectively. I recommend monitoring revenues during the year so that budget amendments can be made when it is evident that actual revenues will fall short of budgeted revenues by more than 5%.

Suggestion 2000-2. Budget Publication. State law requires that the public should have an opportunity to participate in the budgetary process prior to adoption of the budget, if total proposed expenditures are \$250,000 or more from the general fund and any special revenue funds, by publishing a notice stating that the proposed budget is available for public inspection and that a public hearing will be held with the date, time and place specified. The District Attorney's Office made their budget available for public inspection, but they did not publish the required notice or hold the public hearing. I recommend the notice described above be published and a public hearing held for the next budget prepared.

Suggestion 2000-3. Lack of Documentation of Hours Worked by Salaried Employees. All employees of the District Attorney's Office should provide evidence of the number of hours worked each pay period regardless of whether they are hourly or salaried employees. The District Attorney's Office does not have a policy in place requiring the submission of time records by salaried employees at this time. I recommend that a policy be established which sets forth the minimum number of hours each employee is expected to work each pay period and a requirement for all employees to submit time records verifying the number of hours worked in each department or program each day.

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

Sincerely,



Don M. McGehee
Certified Public Accountant

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2000

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS

RESPONSE

1999-1. 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 2000-1.

SECTION 2 MANAGEMENT LETTER

1999-2. Budget Variances. Recommend amending the budget if actual beginning fund balance varies unfavorably from budgeted amounts by more than 5%.

Unresolved. See Suggestion 2000-1.

1999-3. Budget Publication. Recommend publishing a notice for a public hearing on the proposed budget to allow public participation in the budget process.

Unresolved. See Suggestion 2000-2.

1999-4. Internal Control Procedures for Collection of Cash. Recommend updating procedures, assigning personnel not involved in collection of cash to prepare deposits, using pre-numbered receipts for all amounts received, and developing a method of reconciling the amounts collected to fees assessed.

Resolved. Effective July, 2000.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2000**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

FINDINGS

RESPONSE

2000-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

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

SECTION II MANAGEMENT LETTER

SUGGESTIONS

RESPONSE

2000-1. Budget Variances. Recommend monitoring actual amounts compared to budgeted amounts so that budget amendments can be made when it becomes evident that there is an unfavorable variance.

The financial administrator, Carol Cooper, will begin monitoring budget and actual comparisons beginning in July, 2001. She will notify the District Attorney, Robert Levy, if she believes an unfavorable variance of 5% or more is indicated. Then the District Attorney will propose budget amendments for adoption.

2000-2. Budget Publication. Recommend the notice allowing public participation in the budgetary process be published for the next budget prepared.

The financial administrator, Carol Cooper, will publish a notice stating that the budget is available for public inspection and that a public hearing will be held with the date, time and place specified for the 2002 budget.

2000-3. Lack of Documentation of Hours Worked by Salaried Employees.

Recommend establishing a policy with the expected hours defined for each type of employee and a requirement that time records be submitted to verify the hours worked.

The financial administrator, Carol Cooper, and the district attorney, Robert Levy, will prepare a policy by September 1, 2001 defining the number of hours each type of employee is to work and requiring documentation from the employees supporting the number of hours worked

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, 2000

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT EFFECTIVE DATE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES
U.S. Department of Health & Human Services:					
Passed Through Louisiana Department of Social Services-- Office of Family Support for the Provision of Child Support Enforcement Services	Before 7-1-00 After 6-30-00	13.783	355-000664 355-100854	142,500 142,500	\$ 61,224 <u>71,271</u>
Total Department of Health & Human Services					
U.S. Department of Justice:					
Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice Combination Prosecution	Before 12-1-00 After 11-30-00	16.588	M99-1-005 M00-1-005	44,976 37,789	41,876 3,149
Domestic Violence Network	1-1-00 to 6-30-00	16.588	M98-8-037	5,002	5,002
Drug Control and Systems Improvement-- Formula Grant Information Systems Upgrade	Before 5-31-00	16.579	B98-8-020	29,100	29,100
Multi-Jurisdictional Task Force	Before 12-1-00	16.579	B00-1-008	46,580	45,032
Pre-Trial Diversion Program	Before 12-1-99 After 11-30-99	16.579	98-B1-B.20-0079 B00-1-009	23,715 28,199	21,618 <u>1,803</u>
Total Department of Justice					
TOTAL FEDERAL ASSISTANCE					\$ <u>280,075</u>