

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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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, 2002, 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 auditing standards generally accepted in the United States 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 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, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 30, 2003, 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

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



Don M. McGehee
Certified Public Accountant
June 30, 2003

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, 2002

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2001

	GOVERNMENTAL FUND TYPES		SPECIAL REVENUE	FIDUCIARY FUND TYPE	ACCOUNT GROUP GENERAL ASSETS	TOTALS	
	GENERAL	REVENUE				MEMORANDUM ONLY 2002	2001
ASSETS							
Cash	\$ 25,722	\$ 14,051		\$ 270,645	\$ 0	\$ 280,418	\$ 258,784
Certificates of Deposit	0	0	0	0	0	0	158,192
Interest Receivables	0	0	0	0	0	0	737
Due from Other Units	30,007	24,200	0	0	0	54,207	53,959
Due from Criminal Court Fund	0	0	0	0	0	0	138,384
Due from Others	866	0	0	0	0	866	866
Due from Other Funds	73,862	12,210	0	0	0	86,072	85,973
Non-Cash Assets Seized	0	0	0	75,318	0	75,318	141,888
Equipment	0	0	0	0	440,311	440,311	432,578
TOTAL ASSETS	\$ 133,312	\$ 54,521	\$ 0	\$ 314,963	\$ 440,311	\$ 883,407	\$ 1,203,652
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts Payable	\$ 74,806	\$ 1,656	0	0	0	\$ 76,462	\$ 34,862
Accrued Liabilities	41,884	0	0	0	0	41,884	48,737
Settlements not yet Finalized	0	0	0	378,301	0	378,301	332,842
Judgments not yet Collected	0	0	0	35,102	0	35,102	34,710
Due to Merchants	0	290	0	0	0	290	376
Due to Other Funds	0	65,845	0	360	0	66,205	83,830
TOTAL LIABILITIES	116,690	\$ 67,791	\$ 0	\$ 314,663	\$ 0	\$ 498,463	\$ 835,457
FUND EQUITY							
Investment in Fixed Assets	0	0	0	0	440,311	440,311	432,559
Fund Balances (Deficit)	17,622	69,730	0	0	0	15,252	222,857
Unreserved and Undesignated	17,622	69,730	0	0	440,311	464,663	379,328
TOTAL FUND EQUITY	35,244	\$ 139,460	\$ 0	\$ 0	\$ 440,311	\$ 499,913	\$ 364,686
TOTAL LIABILITIES AND FUND EQUITY	\$ 133,312	\$ 197,251	\$ 0	\$ 314,663	\$ 440,311	\$ 898,376	\$ 1,200,143

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, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2001

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY)	
			2002	2001
REVENUES				
Fees	\$ 59,148	\$ 43,988	\$ 103,136	\$ 123,845
Grants and Other Assistance	51,450	197,475	248,925	277,880
Interest Income	882	882	1,862	10,328
Intergovernmental	347,081	18,876	365,957	302,822
On-Behalf Revenue	405,187	30,000	435,243	444,409
Other Income	104	0	104	0
TOTAL REVENUES	<u>868,852</u>	<u>291,221</u>	<u>1,160,172</u>	<u>1,159,884</u>
EXPENDITURES				
General Government	981,478	344,735	1,326,214	1,218,099
Capital Outlay	7,842	190	7,932	11,658
TOTAL EXPENDITURES	<u>989,320</u>	<u>344,925</u>	<u>1,334,246</u>	<u>1,229,758</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(120,468)</u>	<u>(53,704)</u>	<u>(174,176)</u>	<u>(71,874)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	16,934	0	16,934	2,157
Operating Transfers Out	0	(16,934)	(16,934)	(2,157)
Transfer to Criminal Court Fund	(39,445)	0	(39,445)	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(22,511)</u>	<u>(16,934)</u>	<u>(39,445)</u>	<u>0</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	<u>(207,979)</u>	<u>(70,638)</u>	<u>(278,614)</u>	<u>(71,874)</u>
FUND BALANCE - BEGINNING	<u>324,884</u>	<u>47,863</u>	<u>372,747</u>	<u>343,928</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 17,905</u>	<u>\$ (22,775)</u>	<u>\$ (5,752)</u>	<u>\$ 272,054</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 (MAY BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND		SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	BUDGET	ACTUAL	VARIANCE - FAVORABLE
					(UNRECOVERABLE)
REVENUES					
Fees	\$ 77,000	\$ 58,148	\$ (17,852)	\$ 43,988	\$ (7,012)
Grants and Other Assistance	112,789	51,400	(61,389)	197,475	64,085
Interest Income	16,000	680	(15,320)	960	(3,188)
Intergovernmental	200,000	347,081	147,081	0	18,678
On-Budget Revenues	522,000	469,187	(116,813)	54,700	(24,844)
Other	1,000	104	(896)	0	0
TOTAL REVENUES	922,789	883,899	(28,890)	291,123	38,827
EXPENDITURES					
General Government	902,500	965,419	(78,899)	344,759	(99,730)
Capital Outlay	8,000	7,862	138	150	(12)
TOTAL EXPENDITURES	910,500	973,281	(78,241)	344,909	(99,882)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,289	(122,481)	110,192	153,739	100,050
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	10,750	14,884	6,134	0	(6,480)
Operating Transfers Out	(4,400)	0	4,400	(10,004)	(6,184)
Transfer to District Court Fund	0	(88,442)	(88,442)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	6,350	(62,558)	(68,861)	(10,004)	(12,664)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	18,639	(207,672)	(228,941)	0	(76,642)
FUND BALANCE - BEGINNING	228,011	204,884	(23,127)	10,000	(47,807)
FUND BALANCE (DEFICIT) - ENDING	\$ 207,292	\$ 17,212	\$ (200,080)	\$ 100,000	\$ (192,720)

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, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 25 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 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 bonded and reported within 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, 2002**

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, and reimbursements for expenditures 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 are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

USE OF ESTIMATES

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

BUDGETS AND BUDGETARY ACCOUNTING

The District Attorney adopted a budget for all the governmental fund types in accordance with state law and generally accepted accounting principles. 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, 2002**

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. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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 are carried at cost which approximates market value. At December 31, 2002, the carrying amount of deposits was \$274,730 and the bank balance was \$275,810. 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, 2002, \$48,823 of the bank balance is considered uncollateralized (Category 3) under the provisions of GASB codification C30.106. There was also a balance of \$7,879 recorded as cash on hand at December 31, 2002, 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	\$ 815
Lincoln Parish Sheriff's Office	10,023
Union Parish Sheriff's Office	4,361
State of Louisiana-Judicial Branch	18,678
Lincoln Parish Task Force	2,000
Title Fund Reimbursement Grant Monies from the State of LA, DTRR	8,773
Louisiana Commission on Law Enforcement	<u>22,889</u>
TOTAL	\$ 68,387

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2002**

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed asset equipment follows:

Balance - January 1, 2002	\$ 432,510
Additions	<u>7,792</u>
Balance - December 31, 2002	<u>\$ 440,302</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2002, consisted of the following individual fund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 73,995	\$ 0
Special Revenue Fund - Title II-D	12,510	0
Special Revenue Fund - Worthless Check	0	57,357
Special Revenue Fund - TASC	0	28,588
Agency Fund - Forfeitures	0	300
	<u>\$ 86,505</u>	<u>\$ 86,245</u>

NOTE 6 - TRANSFER TO CRIMINAL COURT FUND

The Criminal Court Fund (an individual fund of the Lincoln Parish Police Jury) is responsible for defraying the expense of the criminal court and for other expenses related to the Judges of the criminal court and the Office of the District Attorney. In 2000, this fund began to experience a cash shortage and was unable to pay the expenses it had normally paid for the District Attorney's Office (a component unit of the Lincoln Parish Police Jury). The District Attorney's Office began paying these amounts but expected to be reimbursed by the Criminal Court Fund as funds became available.

At the end of 2002, the District Attorney's Office met with the Judges and the Lincoln Parish Police Jury regarding the Criminal Court Fund. It was agreed that the Criminal Court Fund was not going to be able to reimburse all of the amounts that had been paid. The District Attorney's Office recessed the amount due as a transfer to the Criminal Court Fund.

NOTE 7 - 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 70806-4619, or by calling (504) 925-1361.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

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 an actuarially determined rate. The rate for 1999 through 2002 was 7.70% 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, 2002, 2001, 2000, and 1999 were \$16,168, \$16,930, \$20,681, and \$20,870, respectively, equal to the required contributions for each year.

The District Attorneys' Retirement System (DARS) is a defined benefit pension plan which provides retirement allowances and other benefits. It is a statewide retirement system which is administered and controlled by a board of trustees. The DARS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The DARS issues a publicly available financial report that includes financial statements and required supplementary information for DARS. That report may be obtained by writing to District Attorneys' Retirement System of Louisiana, 2109 Decatur Street, New Orleans, Louisiana, 70118, 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, 1999 through 2002 was 0% 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, 2002, 2001, 2000, and 1999 were \$0, \$0, \$0, and \$0, respectively, equal to the required contributions for each year.

NOTE 8 - ON-BEHALF PAYMENTS

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

	2002	2001
General Fund		
Salaries	\$ 373,952	\$ 383,189
Fringe Benefits	31,638	28,489
Total On-Behalf Payments	\$ 405,590	\$ 411,678
Special Revenue Funds		
Salaries	\$ 24,073	\$ 25,179
Fringe Benefits	5,883	6,542
Total On-Behalf Payments	\$ 29,956	\$ 31,721

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, 2002**

NOTE 9 - FIDUCIARY FUND

The District Attorney's Office receives funds for further disbursement 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 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, 2002:

	BALANCE JANUARY 1 <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	BALANCE DECEMBER 31 <u>2002</u>
ASSETS				
Cash	\$ 206,194	\$ 239,756	\$ (209,302)	\$ 236,648
Non-Cash Assets Seized	<u>141,668</u>	<u>16,000</u>	<u>(82,300)</u>	<u>75,368</u>
TOTAL ASSETS	<u>\$ 351,689</u>	<u>\$ 355,756</u>	<u>\$(209,302)</u>	<u>\$ 314,683</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Secures not yet Forfeited	\$ 322,841	\$ 213,967	\$ (267,487)	\$ 279,321
Judgements not yet Disbursed	24,711	218,774	(209,300)	36,182
Due to Other Funds	<u>3,537</u>	<u>560</u>	<u>(3,337)</u>	<u>260</u>
TOTAL LIABILITIES	<u>351,089</u>	<u>434,301</u>	<u>(479,527)</u>	<u>314,683</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 351,689</u>	<u>\$ 434,301</u>	<u>\$(479,527)</u>	<u>\$ 314,683</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, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash	\$ 28,732	\$ 22,943
Certificates of Deposit	0	55,048
Interest Receivable	0	767
Due from Other Governmental Units--		
Commissions on Fees	17,390	22,980
Grants - Louisiana Commission on Law Enforcement	12,747	11,980
Due from Criminal Court Fund	0	139,764
Due from Others	889	1,960
Due from Other Funds	<u>73,899</u>	<u>54,741</u>
TOTAL ASSETS	\$ <u>133,312</u>	\$ <u>309,833</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 74,809	\$ 34,982
Accrued Liabilities	<u>41,884</u>	<u>49,727</u>
TOTAL LIABILITIES	<u>116,693</u>	<u>84,709</u>
FUND BALANCE		
Unreserved and Undesignated	<u>17,622</u>	<u>224,994</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>133,312</u>	\$ <u>309,833</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, 2002**

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Fees	\$ 77,000	\$ 93,148	\$ (17,052)	\$ 73,456
Grants and Other Assistance	112,789	91,400	(91,389)	142,330
Interest Income	10,000	690	(9,309)	6,904
Intergovernmental	200,000	347,081	147,081	382,254
On-Behalf Revenue	523,000	435,187	(118,813)	412,688
Other Income	1,000	104	(896)	0
TOTAL REVENUES	<u>922,789</u>	<u>863,800</u>	<u>(158,989)</u>	<u>817,332</u>
EXPENDITURES				
Capital Outlay	8,000	7,842	358	10,948
Auto Expense	8,000	7,334	666	4,397
Contract Services	0	1,100	(1,100)	30,506
Dues and Subscriptions	3,000	5,837	(2,837)	2,086
Employee Benefits	32,000	13,724	18,276	18,328
Insurance	74,000	115,138	(41,138)	102,275
Lincoln Parish Police Jury	0	5,600	(5,600)	2,500
Law Library	10,000	28,513	(18,513)	0
Office Expenses	28,500	40,667	(20,347)	28,633
Other	28,000	462	18,548	4,684
Payroll Taxes	18,000	10,048	(8)	9,084
Penalties and Interest	0	18,408	(18,408)	5,223
Professional Fees	21,000	15,897	5,103	23,178
Rent	0	4,302	(4,302)	2,428
Repairs and Maintenance	3,000	2,848	(848)	760
Salaries	626,000	680,778	(38,778)	669,436
Telephone	17,500	18,323	(1,823)	4,033
Training and Seminars	3,500	875	2,625	5,008
Travel and Meals	31,000	11,818	19,482	38,861
TOTAL EXPENDITURES	<u>918,500</u>	<u>898,081</u>	<u>(18,541)</u>	<u>847,311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	12,289	(135,481)	(137,730)	(29,979)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	10,750	18,934	8,184	2,157
Transfer to Criminal Court Fund	(4,400)	(92,465)	(95,045)	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,350</u>	<u>(92,511)</u>	<u>(86,861)</u>	<u>2,157</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	18,639	(357,972)	(238,591)	(27,822)
FUND BALANCE - BEGINNING	<u>228,618</u>	<u>224,994</u>	<u>(3,624)</u>	<u>252,816</u>
FUND BALANCE - ENDING	<u>\$ 247,257</u>	<u>\$ 17,022</u>	<u>\$ (230,235)</u>	<u>\$ 224,994</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 15:15, which provides that the District Attorney receives, from the principal to the offense, a prescribed amount upon collection of a worthless check. The fund may be used only to defray the salaries and expenses of the office of the District Attorney but may not be used to supplement the salary of the District Attorney.

Third Judicial District Truancy Assessment and Services 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 13, 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 service 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.

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2002
WITH COMPARATIVE TOTALS FOR
DECEMBER 31, 2001

	TITLE NO.	WORTHLESS		TOTALS	
		CHECKS	TAGS	2002	2001
ASSETS					
Cash	\$ 10,376	\$ 3,675	\$ 0	\$ 14,051	\$ 26,842
Certificate of Deposit	0	0	0	0	53,142
Due from Other Funds	12,810	0	0	12,810	11,189
Due from Other					
Governmental Units -					
Louisiana Commission on					
Law Enforcement	0	0	9,912	9,912	0
State of Louisiana -					
Judicial Branch	0	0	10,676	10,676	0
DHRH Grant	9,772	0	0	9,772	19,530
TOTAL ASSETS	\$ 32,958	\$ 3,675	\$ 20,588	\$ 64,921	\$ 110,512
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts Payable	\$ 1,605	\$ 0	\$ 0	\$ 1,605	\$ 0
Due to Merchants	0	250	0	250	276
Due to Other Funds	0	57,257	28,588	85,845	62,373
TOTAL LIABILITIES	1,605	57,507	28,588	87,705	62,649
FUND EQUITY					
Fund Balance (Deficit) -					
Unreserved and					
Undesignated	31,353	(53,832)	0	(22,479)	47,863
TOTAL LIABILITIES AND FUND EQUITY	\$ 32,958	\$ 3,675	\$ 28,588	\$ 64,921	\$ 110,512

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, 2002
WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2001

	TITLE			TOTALS	
	MO	CHECK	TASC	2002	2001
REVENUES					
Fees	\$ 0	\$ 43,888	\$ 0	\$ 43,888	\$ 50,187
Grant	118,008	0	79,467	197,475	125,250
Interest Income	157	825	0	982	3,729
Intergovernmental	0	0	18,878	18,878	20,388
Co-Selfal Revenue	15,562	13,488	0	30,050	31,721
TOTAL REVENUES	134,732	58,201	98,345	291,377	241,275
EXPENDITURES					
Capital Outlay	150	0	0	150	710
Contract Services	0	0	22,494	22,494	0
Equipment Expense	0	0	448	448	0
Employee Benefits	5,208	4,400	2,717	13,405	11,387
Insurance	20,284	13,848	4,203	38,335	30,128
Investigation Supplies	0	0	59	59	451
Office Expense	686	58	2,824	3,668	2,372
Other	0	47	0	47	1,448
Payroll Taxes	1,684	1,086	696	3,466	3,422
Professional Fees	3,458	1,477	0	4,935	1,440
Rent	0	0	0	0	3,852
Salaries	110,379	81,951	47,388	240,318	217,120
Telephone	1,722	0	1,442	3,164	5,740
Training and Seminars	80	0	0	80	505
Travel	3,501	0	12,825	16,326	3,871
TOTAL EXPENDITURES	189,308	102,843	60,523	344,685	282,447
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER)					
EXPENDITURES	(113,627)	(44,641)	4,560	(53,708)	(41,002)
OTHER FINANCING USES					
Operating Transfers	(12,374)	0	(4,920)	(16,924)	(2,157)
DEFICIENCY OF REVENUES					
UNDER EXPENDITURES					
AND OTHER USES	(26,001)	(44,641)	0	(70,642)	(43,249)
FUND BALANCE (DEFICIT) -					
BEGINNING					
	57,054	(3,181)	0	47,853	81,132
FUND BALANCE (DEFICIT) -					
ENDING					
	\$ <u>31,053</u>	\$ <u>(53,822)</u>	\$ <u>0</u>	\$ <u>(22,779)</u>	\$ <u>47,883</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TITLE III-D FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 2001

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Grant	\$ 142,500	\$ 118,008	\$ (24,492)	\$ 135,350
Interest Income	550	157	(393)	459
On-Behalf Revenue	10,500	16,562	6,062	15,928
TOTAL REVENUES	<u>153,550</u>	<u>134,727</u>	<u>(18,823)</u>	<u>151,737</u>
EXPENDITURES				
Capital Outlay	0	150	(150)	0
Employee Benefits	6,000	6,208	(208)	6,377
Insurance	11,000	20,284	(9,284)	16,674
Office Expense	1,000	896	104	208
Other	200	0	200	0
Payroll Taxes	1,500	1,684	(184)	1,693
Professional Fees	1,200	3,455	(2,255)	1,440
Salaries	116,000	110,379	5,621	122,564
Telephone	1,800	1,722	78	1,688
Training and Seminars	0	80	(80)	505
Travel	6,100	3,501	2,599	3,632
TOTAL EXPENDITURES	<u>142,600</u>	<u>149,358</u>	<u>(6,758)</u>	<u>125,002</u>
DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	10,950	(14,631)	(24,377)	(2,279)
OTHER FINANCING USES				
Operating Transfers Out	(10,750)	(12,374)	(1,624)	0
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER USES	0	(26,001)	(26,001)	(2,279)
FUND BALANCE-BEGINNING	70,000	57,054	(12,946)	60,324
FUND BALANCE-ENDING	<u>\$ 70,000</u>	<u>\$ 31,053</u>	<u>\$ 38,947</u>	<u>\$ 57,054</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, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR
YEAR ENDED DECEMBER 31, 2001**

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
REVENUES				
Fees	\$ 51,000	\$ 43,958	\$ (7,042)	\$ 50,167
Interest Income	3,800	805	(2,995)	3,279
On-Behalf Revenue	<u>44,200</u>	<u>12,688</u>	<u>(31,512)</u>	<u>15,222</u>
TOTAL REVENUES	<u>99,000</u>	<u>57,451</u>	<u>(41,549)</u>	<u>68,668</u>
EXPENDITURES				
Employee Benefits	5,000	4,480	520	5,010
Insurance	12,000	13,848	(1,848)	11,811
Office Expense	0	58	(58)	0
Other	0	47	(47)	0
Payroll Taxes	1,300	1,086	114	1,219
Professional Fees	0	1,477	(1,477)	0
Salaries	<u>85,000</u>	<u>81,951</u>	<u>3,049</u>	<u>77,358</u>
TOTAL EXPENDITURES	<u>102,300</u>	<u>103,943</u>	<u>1,643</u>	<u>96,398</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,400)	(44,841)	(40,341)	(26,715)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>4,400</u>	<u>0</u>	<u>(4,400)</u>	<u>0</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	0	(44,841)	(44,841)	(26,715)
FUND BALANCE (DEFICIT) - BEGINNING	<u>50,000</u>	<u>(8,191)</u>	<u>(58,191)</u>	<u>17,524</u>
FUND BALANCE (DEFICIT)-ENDING	<u>50,000</u>	<u>\$ (53,832)</u>	<u>\$ (103,832)</u>	<u>\$ (8,191)</u>

DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SPECIAL REVENUE FUND - TASC FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Grant	\$ 0	\$ 79,467	\$ 79,467
Intergovernmental	<u>0</u>	<u>18,629</u>	<u>18,629</u>
TOTAL REVENUES	<u>0</u>	<u>98,143</u>	<u>98,143</u>
EXPENDITURES			
Contract Services	0	22,494	(22,494)
Equipment	0	445	(445)
Employee Benefits	0	2,717	(2,717)
Insurance	0	4,200	(4,200)
Supplies	0	59	(59)
Office Expense	0	2,934	(2,934)
Payroll Taxes	0	699	(699)
Salaries	0	47,999	(47,999)
Telephone	0	1,442	(1,442)
Travel	<u>0</u>	<u>10,623</u>	<u>(10,623)</u>
TOTAL EXPENDITURES	<u>0</u>	<u>93,563</u>	<u>(93,563)</u>
EXCESS REVENUES OVER EXPENDITURES	0	4,580	4,580
OTHER FINANCING USES			
Operating Transfers Out	<u>0</u>	<u>(4,580)</u>	<u>(4,580)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	0	0	0
FUND BALANCE-BEGINNING	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE-ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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, 2002 AND 2001

	2002	2001
GENERAL FIXED ASSETS		
Equipment	\$ 440,311	\$ 432,509
TOTAL GENERAL FIXED ASSETS	<u>\$ 440,311</u>	<u>\$ 432,509</u>
INVESTMENTS IN GENERAL FIXED ASSETS		
Property Acquired from:		
Contributions from Other Governmental Units	\$ 61,105	\$ 61,105
Special Revenue Funds	121,564	121,433
General Fund	<u>257,622</u>	<u>249,681</u>
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 440,311</u>	<u>\$ 432,509</u>

OTHER REPORTS AND SCHEDULES

DON M. McGENEE
of Professional Accounting Corporation
P.O. Box 1394
588 North Tardor
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, 2002, and have issued my report thereon dated June 30, 2003. 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.

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 30, 2003.

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 finding #2992-1.

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

This report is intended solely for the information of the District Attorney's Office, the Office of Family Security for the Provisions of Child Support Services, the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Don M. McGhee
Certified Public Accountant
June 30, 2003

**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, 2002**

I have audited the financial statements of the District Attorney as of and for the year ended December 31, 2002, and have issued my report thereon dated June 30, 2003. 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, 2002 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 2002-1. 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
808 North Tremont
Ruston, Louisiana 71273-0344

MANAGEMENT LETTER

June 30, 2003

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, 2002. 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.

As a part of my audit, I have issued my report on the financial statements dated June 30, 2003, and my report on internal control and compliance with laws, regulations, and contracts, dated June 30, 2003.

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

Suggestion 2002-1. Budget Variances. In 2002, the District Attorney's actual beginning fund balance for its special revenue fund was 82.11% less than the amount budgeted and the fund balance was used to fund expenditures for 2002. State law requires that the budget be amended if the 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 adjusted year end fund balances were not compared to budgeted amounts to determine if any budget amendments were needed. I recommend the financial administrator compare adjusted year end fund balances to amounts budgeted to determine if budget amendments are needed and notify the District Attorney of any needed amendments.

The District Attorney's general fund actual revenues were less than budgeted amounts by 5.68%. State law requires that the budget be amended if actual revenues fail to meet estimated revenues by more than 5%. This variance was due mainly to on-behalf revenue being over estimated in the budget. I recommend the financial administrator determine the amount of on-behalf revenue prior to year end and compare to budget amounts. If on-behalf revenue is less than 5% of budgeted amounts, the District Attorney should be notified that budget amendments are needed.

Actual expenditures for the District Attorney's general fund and special revenue fund were more than budgeted amounts by 18.97% and 40.92%, respectively. During 2002, the general fund paid certain expenses that had been paid from the Criminal Court Fund that were not budgeted. The variance in the special revenue fund was due to the new fund added for Treasury in 2002, for which no budgeted amounts were prepared. I recommend the financial administrator monitor actual expenditures compared to budgeted amounts and notify the District Attorney if budget amendments are needed.

PAGE TWO

Suggestion 2003-3. Budget Publication. The District Attorney's Office made their budget available for public inspection, however they did not publish the required notice or hold a public hearing. State law requires that the public have an opportunity to participate in the budgetary process prior to adoption of the budget, if total proposed expenditures are \$250,000 or more from the general fund and any special revenue funds. The opportunity for public participation is given by publishing a notice stating that the proposed budget is available for public inspection and that a public hearing will be held with the date, time and place specified. I recommend that the financial administrator publish a notice, as described above, for the proposed 2004 budget and that a public hearing be held prior to adoption of the proposed 2004 budget.

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

Sincerely,



Van M. McSheehy
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, 2002**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS

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

RESPONSE

Unresolved. See Finding 2002-1.

SECTION 2 MANAGEMENT LETTER

SUGGESTIONS

2001-1. Budget Variances. Recommended the financial administrator monitor variances between the budget and actual amounts to notify the District Attorney when budget amendments appear to be needed.

RESPONSE

Unresolved. See Suggestion 2002-1.

2001-2. Budget Publication. Recommended the financial administrator publish a notice for a public hearing on the proposed budget to allow public participation in the budget process.

Unresolved. See Suggestion 2002-2.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2003**

SECTION 1 INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

FINDINGS

2003-1. Separation of Duties. Too few personnel involved in the accounting system to have adequate separation of duties for internal control.

RESPONSE

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

SECTION 2 MANAGEMENT LETTER

SUGGESTIONS

2003-1. Budget Variances. The general and special revenue funds each had areas with unfavorable variances between actual amounts and budgeted amounts that were in excess of 5%. According to state law, budget amendments should be adopted if an unfavorable variance of 5% or more is indicated. These unfavorable budget variances were not identified prior to year end and budget amendments were not adopted as needed. I recommend the financial administrator prepare a comparison of actual amounts to budgeted amounts on a regular basis during the year and notify the district attorney if budget amendments are needed.

RESPONSE

The financial administrator, Jim Johnson, will begin comparing actual amounts to budgeted amounts quarterly beginning July, 2003. He will notify the District Attorney, Robert Levy, if he believes an unfavorable variance of 5% or more is indicated. The district attorney will adopt budget amendments as needed.

2003-2. Budget Publication. The notice allowing public participation in the budgetary process was not published. State law requires that the public should have an opportunity to participate in the budgetary process if total expenditures are \$250,000 or more. The budget was made available for public inspection, but the public notice was not published. I recommend the financial administrator publish the required notice for the 2004 budget.

The financial administrator, Jim Johnson, 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 2004 budget.

**DISTRICT ATTORNEY OF THE THIRD JUDICIAL DISTRICT
PARISHES OF LINCOLN AND UNION, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	GRANT EFFECTIVE DATE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL AWARDS EXPENDED
U.S. Department of Health & Human Services					
Passed Through Louisiana Department of Social Services-- Office of Family Support for the Provision of Child Support Enforcement Services	Before 7-1-02 After 8-30-02	13,783	365-2010099 365-307340	\$ 142,500 142,500	\$ 60,641 59,841
Child Support Enforcement Title IV-D					128,462
Total Department of Health & Human Services					
U.S. Department of Justice					
Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice	Before 3-1-02 After 2-28-02	16,568	M99-1-006 M01-1-004	13,669 36,111	8,748 17,909
Combination Prosecution					
Developing Accountability Based Sanctions	Before 10-1-02 After 8-30-02	16,523	A00-8-039 A01-9-039	78,740 72,087	60,565 5,812
Total Department of Justice					328,116
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 328,637